Managers’ perceptions of the extent of diversity management in multinational organisations in Laos

By

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A thesis submitted in partial fulfilment of the requirements for the degree of Master of Business

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DECLARATION

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This thesis entitled: “Managers’ perceptions of the extent of diversity management in multinational organisations in Laos” is submitted in partial fulfillment for the requirements for the Unitec degree of Master of Business.

Candidate’s declaration

I confirm that:

☐ This thesis project represents my own work.

☐ The contribution of supervisors and others to this work was consistent with the Unitec regulations and policies.

☐ Research for this work has been conducted in accordance with the Unitec Research Ethics Committee Policy and Procedures, and has fulfilled all requirements set for this project by Unitec Research Ethics Committee.

Research Ethics Committee Approval Number: 2014-1092

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Abstract

Human resource management (HRM), irrespective of whether it is in a domestic or international context, is the most important function that every organisation must address. Workplace diversity management is another important area of HRM that needs to be taken into account when managing employees; particularly, in the international environment. All managers, HR or non-HR managers, are the core people to implement this task. Therefore, to be more effective in managing workplace diversity, a survey of HR and non-HR managers’ perceptions of this issue is critical in order to uncover what needs to be done in organisations.

The aim of this research project is to identify what perspectives HR and non-HR managers have of diverse workforces in Laos. The practices and policies they perform are also investigated. The researcher focused further on some of the barriers that make it difficult to manage people from different places or countries. Furthermore, some suggestions are advanced regarding how managers could adapt themselves to managing diversity. To achieve the objectives of this research project, the researcher employed a qualitative approach, in which semi-structured interviews were used to collect data from 12 participants in multinational organisations in Laos.

It can be observed from the research findings that most of the managers in multinational organisations in Laos assume more than one role; HRM is part of their responsibility, irrespective of whether or not they are HR managers. In addition, from the participants’ perspectives, workplace diversity management practices mostly focus both on encouraging women and people of diverse ethnicities to work and assisting them to get work opportunities. Workplace diversity is considered as advantageous for an organisation’s progress and competitiveness. In Laos, there is not any serious prejudice resulting in harassment or discrimination; however, there are some difficulties in knowing how to manage diverse employees. Hence, adaptation to working with employees from diverse backgrounds is both a challenge and an imperative for organisations.

This research project concludes that workplace diversity management in Laos is important and in need of attention, even though no serious problems have occurred to date. Managing a diverse workforce in Laos will never be entirely straightforward, but it may be less difficult if
managers/leaders/supervisors highly value the idea of adaptation to employees and then pay significant attention to adapting themselves to manage and direct their people effectively.
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I also give thanks to all the participants who work as human resource and non-human resource managers in multinational organisations in Laos. At the beginning of the year, every organisation was very busy and they had to deal with their yearly financial audit; however, those participants still gave me their time to participate in this research project. Therefore, I am very grateful for their valuable time and contributions.

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<table>
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<th>Description</th>
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<tbody>
<tr>
<td>AA</td>
<td>Affirmative Action</td>
</tr>
<tr>
<td>AEC</td>
<td>ASEAN Economic Community</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of South East Asia Nations</td>
</tr>
<tr>
<td>CI</td>
<td>Cultural Intelligence</td>
</tr>
<tr>
<td>EEO</td>
<td>Equal Employment Opportunities</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>GEE</td>
<td>Gender and ethnicity equality</td>
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<tr>
<td>HRM</td>
<td>Human Resource Management</td>
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<tr>
<td>IHRM</td>
<td>International Human Resource Management</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
</tr>
<tr>
<td>LAO PDR</td>
<td>Lao People’s Democratic Republic</td>
</tr>
<tr>
<td>MDGs</td>
<td>Millennium Development goals</td>
</tr>
<tr>
<td>MNC</td>
<td>Multinational Corporation</td>
</tr>
<tr>
<td>NEM</td>
<td>New Economic Mechanism</td>
</tr>
<tr>
<td>NSEDP</td>
<td>National Socio-Economic Development Plan</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>TNC</td>
<td>Transnational company</td>
</tr>
<tr>
<td>TOT</td>
<td>Training Of Trainer</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organisation</td>
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</table>
Chapter 1: Introduction

1.1 Background

Human Resources Management (HRM) comprises a set of key tools to maximise benefits for organisations and to strengthen their overall health (Hartel & Fujimoto, 2015). Throughout the 20th century, HRM absorbed many techniques and ideas from a number of areas, such as its theories and practices. It has since further developed as business has modernised such that it has become the key factor for organisational success (Sharma, 2009). At the same time, the increased competition associated with 21st century global business has created stresses for HRM. This is because HR staff are expected to manage locally- and globally-based employees effectively and efficiently, including addressing issues, such as low labour cost, that enable the organisation to compete with others (Briscoe, Schuler, & Claus, 2009). This clearly situates HRM in the international context; it plays an essential role in dealing with employees across diverse boundaries, one which supports multinational organisations to achieve their goals. Furthermore, Briscoe, Schuler, and Tarique (2012) add that HRM in the international context has many complicated functions which need the focused attention from the relevant managers in order to perform them effectively. Therefore, the need to create policies and practices regarding the management of a diverse workforce is significant.

The role of managing diverse employees can be captured by the term ‘diversity management’, which refers to organisational practices used to manage employees who come from different countries and also to create an inclusive organisational environment (Mor-Barak, 2014). Diversity management involves encouraging people not only to acknowledge diversity, but also to value it as having the potential to improve organisational effectiveness as a whole (Shen, Chanda, D'Netto, & Monga, 2009). Furthermore, it is a way to ensure that all available resources available are deployed to promote inclusiveness within organisations (Mondy, 2012). Therefore, all HR (and/or other) managers should recognise the potential of a diverse workforce and pay attention to this issue in order to ensure the appropriate management throughout their organisations.
Importantly, organisations can motivate employees to work effectively and obtain high work performance from them by having good HRM practices. No multinational organisation can ignore HRM in the international context as it is a significant feature of the organisation. In relation to Lao People Democratic Republic (Lao PDR), the market-oriented activities that began in the 1990s have required international assistance in order to be implemented effectively. In addition, the challenge of accomplishing Lao’s development goals can only be addressed by getting support from many development partners (United Nations, n.d). This in itself can result in a diverse workforce in many organisations, especially in multinational organisations. Therefore, from this perspective, it can be said that HRM in Lao PDR also started in the 1990s. Diversity in the workplace has been increasing since then and needs to be effectively managed in order to enhance productivity of organisations. According to the report of Daviau (2014), many aid agencies in Laos are now focusing on promoting diversity by trying to hire as many indigenous people, particularly women, as possible. However, in Laos, there is no research explaining how managers, including those of HR, perceive the value of workplace diversity and how diversity management is implemented in multinational organisations.

1.2 Description

1.2.1 Background of research problem

In 1986, the Lao People’s Democratic Republic (Lao PDR) began to accept the New Economic Mechanism (NEM). It was a time of change marked by the shift from a centralised- to a market-oriented mechanism. This encouraged the economy to be more market-oriented in terms of bringing in more foreign direct investments (FDI), foreign aid, and private investment, and enhancing macro-economic management (FAO, 2011; New Zealand Ministry of Foreign Affairs & Trade, 2008). Since the New Economic Mechanism (NEM) was introduced, investments in the country have significantly increased, the country’s economy has been growing, and the business climate has been enhanced (FAO, 2011). As is evident in the report of The United Nations in the Lao PDR (n.d), economic growth has been averaging 7.6% since 2006.

In addition, the country set up the 7th five-year National Socio-Economic Development Plan
(NSEDP), 2011-2015. This plan aims to evaluate the improvement of national economic development, create more positive changes in terms of the quality and sustainable growth of the country. Laos is considered as having a high economic growth rate; however, the government still depends on assistance from international donors (FAO, 2011). Hence, to implement this plan, it is necessary to learn lessons through cooperation with, and assistance from government authorities at all levels, FDI, and international development partners (Ministry of Planning and Investment, 2011). A further related issue is that of job creation. There are jobs available; however, Laos still has both insufficient experts and skilled labourers in many fields. This is the reason why there is an influx of Chinese and Vietnamese labour coming to Laos (The United Nations in the Lao PDR, n.d).

Furthermore, Laos became a member of the Association of South East Asia Nations (ASEAN) in 1997. The ASEAN has the aim of increasing regional cooperation in terms of the country member economies, societies, cultures, education and other fields (ASEAN Secretariat, 2014). This Association also represents "the collective will of the nations of Southeast Asia to bind themselves together in friendship and cooperation, and through joint efforts and sacrifices, secure for their peoples and for posterity the blessings of peace, freedom and prosperity" (ASEAN Secretariat, 2014, pp. 2). Moreover, Laos is preparing to be involved in the ASEAN Economic Community (AEC) in 2015, which focuses on transforming ASEAN into a free movement region in regard to goods and services, capital, investment, and skilled workers (ASEAN Secretariat, 2014; The World Bank, 2013). With the free movement of a skilled workforce, opportunities would be created for many people to work and exchange work experiences within the ASEAN countries.

Overall, Lao PDR has put its efforts into many development programmes in order to improve its economic status. However, to achieve those activities mentioned, Laos still lacks an abundant workforce and the expert people needed to manage and implement the national development plans. According to the FAO (2011), the inadequately skilled or educated workforce is ranked as the third constraint of doing stable investment in Laos. Thus, this provides a reason for increasing the foreign workforce within the country.
From the above outline, it can be seen that the Lao workforce has become more diverse as there are many international partners and organisations involved (in the form of FDI, Non-Government Organisations, and other foreign aid) in the national development plans. In addition, the insufficient number of skilled workers within the country can prompt a shift towards the importing of labour and experts with the aim of maximising benefits for international organisations in Laos. This brings about more diversity in the workplace that HR and other people in multinational organisations should be aware of (Fox, 2014). Diversity produces good outcome if the organisations perceive it as an advantage and know how to manage diversity effectively; otherwise, it can produce negative impacts on organisations’ progress (Ehimare & Ogaga-Oghene, 2011).

Based on the background of Laos and its workforce situation discussed above, it is proposed that HRM concepts and practices in the international context should be adopted by multinational organisations and that they recognise and manage well the diversity of people within their organisations in order to gather diverse knowledge, skills and experiences that are of benefit to them. However, there is limited research available around diversity management in Laos, particularly in international organisations. This leads to the identification of a business problem which is expressed in the research question of this study: "How do managers and HR managers in multinational organisations in Laos manage diversity in the workplace to gain competitive advantages from it?" In addition, the researcher intends to study the perception of managers as to the extent of diversity management because it would be worthwhile for raising awareness amongst, and guiding effective practices of managers in multinational organisations in Lao PDR.

1.2.2 Focus of this project

This project will focus on the scope of managers’ perspectives towards diverse workforces and diversity management in Laos. The managers and HR managers need to deal with cross-cultural and cross-national employee issues arising in an organisation with a diverse workforce. It will also include a focus on some models of diversity and diversity management in the workplace, especially in international/multinational organisations in Laos. The reason for this focus is that
since there are many international labourers and expatriates coming to work in Laos, the workforce within the country is becoming more diverse. This has the potential to generate positive and negative impacts for organisations. In addition, while HR managers are required to design and practice critical processes and activities related to managing a diverse workforce, all other line managers are also important in providing assistance in these matters as they are the ones who have closer relationships with employees. Thus, the outcome of this study will be significant for managers and HR managers in multinational organisations in Laos in terms of identifying the issues and providing some appropriate strategies to perform diversity management practices effectively.

1.3 Aim and Objective of the project

The aim of this research project is to raise awareness of the importance of managers’ and HR managers’ roles in terms of managing diversity in multinational organisations in Lao PDR; in this way, they could effectively make greater contributions to the success of organisations.

More precisely, the aim of this research is to: “identify the current perceptions of managers, line managers, and HR managers in multinational organisations in Laos regarding the importance of implementing diversity management practices”

To achieve the aim mentioned above, this research project includes the following objectives:

- To identify the current roles of managers in multinational organisations in Lao PDR
- To examine the level of awareness of the importance of a diverse workforce
- To assess the current practices of diversity management performed by all managers
- To investigate HR managers’ and non-HR managers’ perceptions of designing the policies of managing diverse employees
- To determine the challenges of managing a diverse workforce
- To determine the behavioural changes managers/supervisors have made to their diversity management of the workforce that might have led to increased effectiveness in managing diverse employees
1.4 Research questions

In order to achieve the above objectives, this research project includes the following research questions:

- What are the main responsibilities of managers in managing diverse employees in multinational organisations in Laos?
- What are the perceptions of HR managers and non-HR managers of a diverse workforce?
- What perceptions do HR managers and non-HR managers have of the current activities of managing a diverse workforce?
- What do HR managers and non-HR managers think of the current policies of managing diversity in the workplace?
- What could be the barriers that would impact on the practice of diversity management in multinational organisations?
- How have HR managers and non-HR managers adapted to assist in managing a diverse workforce to improve the effectiveness of the organisations?

1.5 Hypothesis

Based on the aim and objectives of this research, the hypotheses are formed as follows:

**Hypothesis 1**

**H1:** Managers in multinational organisations in Laos value the importance of workplace diversity.

**Hypothesis 2**

**H2:** HR managers value their current diversity management activities in multinational organisations in Laos as effective practices.

**Hypothesis 3**

**H3:** Non-HR managers in multinational organisations value that their adaptation to work with diverse employees as significant for supporting the work of diversity management.
1.6 Outline of the thesis

The thesis is comprised of the following six chapters.

Chapter 1 provides background for the situation pertaining to Lao PDR, the project’s country focus, with regard to the cause of the increase of a diverse workforce, especially in multinational organisations, and how such a workforce needs to be well managed in order to maximise benefits. In addition, the focus of the research project is presented here to highlight the importance of identifying the perspectives of managers or HR managers in terms of ways to perceive and manage a diverse workforce in organisations. This chapter also explains how, together, the research problem, aims and objectives, and research questions contribute to finding answers related to how managers and HR managers perceive workplace diversity.

Chapter 2 reviews the key literature related to international HRM. In this chapter, the focus is on explaining the issues surrounding international HRM. This includes providing the definition of IHRM, which is essentially about managing people in different cultures, countries, groups, and multinational organisations. In addition, this chapter explores workplace diversity and the management of a diverse workforce. It is important for managers and HR managers to take into account the characteristics and advantages of a diverse workforce as well as any barriers to effective diversity management. A model of managing diverse employees or workplace diversity is also explained including the choices for effective HRM in multinational organisations.

In Chapter 3, the methods that are used to execute this research project are discussed with reference to the methodology, research method and research paradigms. At this stage, the distinction between quantitative and qualitative research methods is highlighted before establishing that this research employs a qualitative approach, using the semi-structured interview approach for collecting data. Thus, the rationale for adopting a qualitative approach, the selection and recruitment process for the research sample, data collection, data analysis and validity of the result are explained rigorously.

Chapter 4 provides the findings of the research after performing the semi-structured interviews for data collection in Laos; the findings are derived from managers and HR managers in
multinational organisations. Those findings are related to the research questions of the project in terms of the perceptions of HR managers and non-HR managers regarding the value of diversity in the workplace and the way they manage diverse people and promote diversity. All the data collected is grouped into key themes, which are derived from the participants’ viewpoints. Finally in this chapter, all data collected from the semi-structured interviews are classified into themes and coded for further discussion.

Chapter 5 is about HR managers’ and non-HR managers’ perspectives about workplace diversity and is based on the information categorised and organised in chapter 4. The key aspect of this chapter is to provide answers to each research question and to test the research hypotheses. Then all answers are compared and contrasted with studies presented in the literature review in chapter 2 in order to draw conclusions and make recommendations in the last chapter.

The main focus of chapter 6 is to draw the conclusions from chapter 5 into a final conclusion of the project. Presented here, too, are some recommendations for effective practices that emerged from the participants and which relate to diversity management in the organisations. In addition, the researcher provides some suggestions for future research to be undertaken by other researchers who wish to study the management of diversity in the workplace.

1.7 Summary

Chapter 1 provided the aims and objectives of the research study. This chapter started with the background of HRM and IHRM, and it was followed by the factors that described this research project. Next, the research problem was discussed and then the aim and objectives of the research was presented. The research questions and hypotheses were presented in order to find the answers. Finally, the chapter provided an outline of this research study.

The following chapter provides the literatures related to HRM and IHRM, where the literature with regard to workplace diversity is presented.
Chapter 2: Literature Review.

2.1 Introduction

The Literature Review forms a central part of this research. It is used to support, compare and contrast the aims, objectives, questions and findings of the research. Therefore, this chapter will review the literature which is relevant to the HRM and IHRM background, functions and activities; factors that influence IHRM. In addition, the review of literature regarding the management of diversity in the workplace of multinational organisations will be presented in terms of its definition, characteristics such as cultures, ethnicity, gender, age, race and disability. The advantage of a diverse workforce, the barriers to managing them, Equal Employment Opportunities (EEO), and Affirmative Action (AA) are discussed in order to be a guide to identifying the problems that may occur and to find appropriate solutions when managing a diverse workforce in an organisation. Moreover, the management models which include stage and process models, change models and organisational learning models are also discussed; these models are the approaches for HR managers and their management team to consider when hiring diverse employees who could be locals or expatriates. All the literature reviewed in this chapter is presented in order to support, compare and contrast the research findings of diversity management in multinational organisations in Laos.

2.2 Human Resource Management (HRM)

According to Sharma (2009), HRM has absorbed many techniques and ideas from a number of areas since the 20th century. It has then developed as business practices have modernised. Human resource management can be explained or defined in many ways depending on the role and position of each person. According to Rao (2009), HRM is involved in the field of management activities, such as planning, organising, leading and controlling the way an organisation or HR departments, recruit, use, train and pay employees in order to accomplish the common goals of an organisation. In this context, HRM refers to personnel/people management, focusing on the effective use and development of an organisation’s employees in order to maximise benefits for the organisation (Nickson, 2013). In addition, HRM is also considered as a way that an organisation looks for appropriate people management practices in order to ensure
that all their capabilities and professional abilities make a full contribution to the organisation’s progress (Hartel & Fujimoto, 2015). Furthermore, Nel et al. (2014) state that the effective and productive use of employees pertains to achieving both the organisation’s goals and the employees’ satisfaction and well-being. Moreover, HRM is an important tool in attracting the best-skilled people as well as managing them in an appropriate manner so that they will significantly contribute to strengthening the competitiveness of an organisation; HRM is, therefore, a tool to stimulate the success of a firm and/or an organisation through people management activities (Sharma, 2009).

2.3 International Human Resource Management (IHRM)

2.3.1 Background of IHRM

Human resource management in the international context has emerged for many different reasons. Briscoe et al. (2009) assert that globalisation and technology are the main factors to removing the barriers to doing business across borders; this means that there is no hiding place for HR practitioners. According to Aswathappa and Dash (2008), globalisation is an increasingly influential process of harmonizing the world’s national economies through cross border investment and integration; this process requires the coordination of and communication with different people, organisations and cultures across the globe. Sparrow, Brewster, and Harris (2004) also add that globalisation influences the rapid growth of borderless business activities which also influence the style of management in organisations. Crafts (2004) also adds that the development of society and the internationalisation of relationships are also part of globalisation, in which these become more interdependent (as cited in Du Plessis, 2009).

In addition, modern technology, which reduces the cost and speeds the process of transportation and other business coordination, is another influence of the growth of globalisation (Du Plessis, 2009). Globalisation results in the development of international corporations, investment and markets; however, it also brings about the spread of a diverse workforce (Briscoe et al., 2009; Daft & Samson, 2012). One of the strategic activities that lead to successful businesses is effective HRM. Managers therefore need to adapt to new challenges and focus on the work of
IHRM in order to accomplish the organisation’s goals by developing efficient, effective and productive ways of managing employees from around the world (Daft & Samson, 2012; Lucio, 2014).

Many other researchers have ascertained that global business is also the main driver that underpins the concept of IHRM (Dowling, Festing, & Engle, 2013; Nel et al., 2014). Growing global business is increasingly causing the integration and harmonisation of trade practices and costs between countries, cultures and diverse people in the global labour market (Briscoe et al., 2012). Furthermore, global or international business does not apply to the best-known or largest companies, but also Small and Medium Enterprises (SMEs) in every country in the world, as described by Briscoe et al. (2009).

The increase of this internationalisation causes pressure on every international organisation’s human resource management, requiring it to be competitive on the global stage. It requires HR managers to focus on managing people across borders at lower cost, with more innovation, greater speed and with a high quality of customer service. This can be done by recruiting, selecting, developing and retaining diverse talents that can maximise benefits and strengthen the organisation’s competitiveness (Briscoe et al., 2009). Similarly, the greater scale and widening reach of global corporations lead to new challenges in managing work and employment. As argued by Lucio (2014), most multinational organisations attempt to alter the way people are integrated into their operations across borders; the IHRM is required to address these challenges by trying to change the working styles of individuals in multinational organisations, across different borders and/or countries (Lucio, 2014).

2.3.2 Multinational organisations

International human resource management (IHRM) is integral to multinational organisations. This means that every international or multinational organisation employs IHRM for managing their employees. Thus, in relation to IHRM, it is necessary to understand the meaning of a ‘multinational organisation’. The terms transnational company (TNC), global corporation, multinational corporation (MNC), international/multinational organisation are often used
synonymously in the sense of their operations and strategies (Cherunilam, 2010). A multinational organisation has many and varied characteristics so it is difficult to propose a universal definition. According to Shah, Yusaff, Hussain, and Hussain (2012), a MNC is defined as a business operation which is located overseas - it could be in more than one country or across territorial boundaries - with the aim of creating more value-added holdings. However, Hennart (2008) defines MNCs as private organisations created so as to operate in more than one country through interdependencies and employment contracts between employees and the business (as cited in Shah et al., 2012).

According to Cherunilam (2010), a MNC is defined by a set of criteria: *size of corporation*, which could be according to market values, sales, return on equity and profits; *structure*, which includes the citizenship of the owners and the number of countries involved; *performance*, which includes commitment and rewards for commitment; and *behaviour*, especially of top management. This author further adds that the degree of internationality is a matter of being multinational or international and it is not rational to apply only one measure to identify the concept of internationalisation (Cherunilam, 2010). However, based on observation, the report of the International Labour Organisation (ILO) explicates that the critical nature of a MNC is determined by the fact that the managerial headquarters is located in a country while the corporation operates in a number of countries (Cherunilam, 2010; Shah et al., 2012)

A MNC is comprised of a number of companies with the objective of widening market share in other nations or territorial boundaries and strengthening shareholder benefits; however, it generates more investment, joint ventures and other business that also benefits the host country (Shah et al., 2012; Vij, 2006). Conversely, as Shah et al. (2012) claims, the host country would need to sacrifice some of its natural resources to attract more foreign investment. In this thesis, companies are also discussed as separate entities although they form part of MNCs.

### 2.3.3 Definition of International Human Resource Management

As well as providing the background of IHRM, many scholars define and conceptualise IHRM. Dowling, Festing, and Engle (2008) explain that IHRM refers to the interplay among employees;
all activities would be similar to domestic HRM but it is more about dealing with a diverse workforce in an international organisation. Furthermore, IHRM also refers to the study and application of all HRM activities that are used to influence employees in global organisations and deal with global business problems in order to effectively enhance goal achievement of the organisations (Briscoe et al., 2009). Schuler et al. (1993) state that IHRM refers to a set of different activities, processes and functions that are deployed to attract diverse employees, and to develop and maintain such a workforce in order to guide them towards achieving the common goals of multinational organisations (as cited in Gooderham, Grogaard, & Nordhang, 2013). In relation to this, the nature of IHRM is illustrated in the interaction between three dimensions: HR activities, types of employees, and countries of operation (Kumar, 2011; Nel et al., 2014). In addition, Armstrong (2012a) defines IHRM as the management of people across countries; this entails not only managing the expatriates, but also the local and international people worldwide.

In terms of IHRM activities and practices, Stahl, Bjorkman, and Morris (2012) claim that these include the elements of domestic HRM; however, it is more complex due to the national diversity context as well as the distinctive features of a diverse workforce. Moreover, the authors assert that the activities of IHRM are broadly categorised into three approaches: the issues of cross-cultural management, the research of comparative HRM, and the HRM aspects in multinational organisations (Stahl, Bjorkman, et al., 2012). The implementation of all IHRM aspects are aimed to facilitate multinational organisations to be more competitive, efficient, adaptable and proficient in the global context; these are the main foundations for becoming globally successful (Shanine, Buchko, & Wheeler, 2011).

According to Du Plessis (2010), HR practitioners are the main persons involved in effectively carrying out all activities such as recruitment and selection, placement, training and development, employee retention, performance management, performance appraisal and reward management in HRM work. However, IHRM includes all these activities as well as grouping them into one of the three dimensions of IHRM: the broad human resource activities of procurement, allocation, and utilisation. IHRM needs to deal with many other issues related to, for example, types of employees, country categories, taxes of expatriates, benefits, and accommodation (Dowling et al., 2013). Furthermore, in IHRM, many personnel practices can
achieve legitimacy if they focus specifically on cultural differences and cross-culture adjustments; all employment relationships must be informed by an understanding of cultural differences (Stahl, Bjorkman, et al., 2012).

There are many different factors that affect IHRM’s practices and policies. According to Nel et al. (2014) and Dowling et al. (2013), IHRM functions face many challenges which differ depending on the location. Indeed, the issues confronted by IHRM are becoming more complex due to the intermingling with distinct societies, cultures, politics, economics, and legal systems; such external issues influence the practices of the HR function. However, Sengupta and Bhattacharya (2007) identify two broad factors that influence IHRM: the specific features of the organisation (international strategy, organisational culture, structure, international experiences and so forth); and the contextual factors of the host (political, economic, legal, and social-cultural factors). Thus, in the context of IHRM, the issue of such diversity could be considered as a very important aspect to include in IHRM work.

Furthermore, cultural differences among diverse employees have become a stimulus for HR people, working in and across diverse boundaries, to develop new HRM concepts and skills (Du Plessis, 2010). Moreover, many governments have started to encourage local hires, while the high costs of expatriates have caused foreign organisations to seek more local hires (Stahl, Bjorkman, et al., 2012). All of aforementioned factors are likely to bring about a diverse workforce and create HRM challenges for multinational organisations. This suggests that an appropriate global HRM needs to be developed and applied to remedy the issues surrounding a diverse workforce (Stahl, Mendenhall, & Oddou, 2012). In this sense, it is becoming necessary for IHRM to be implemented in order to deal with HRM issues, particularly in relation to diversity issues in the global context.

Another important consideration is for cultural training to be a prerequisite for staff before doing their international assignments overseas. Rao (2004) and Hartel and Fujimoto (2015) point out that pre-departure cultural awareness training is important in helping all staff selected for international assignments to acknowledge the DOs and DON’Ts so as to avoid culture shock and any serious conflicts in the host country organisation. It is vital to provide training that
familiarises staff with the new environment before they embark on their international assignment.

**Figure 1: Different training levels for staff assigned to international assignments**

- **LEVEL 1**
  - Awareness of different cultures
  - Impact of different cultures
  - Impact of different cultures on business

- **LEVEL 2**
  - How attitudes are formed positive
  - How attitudes are formed negative
  - How attitudes have an influence on behaviour

- **LEVEL 3**
  - Factual knowledge about the host country:
    - Geographical information
    - Social and business etiquette
    - Political structure and current politicians and views
    - Current affairs and relations with the home country
    - Religion and the role of religion
    - History and folklore

- **LEVEL 4**
  - Skills building
    - Basic language skills
    - Adjustment skills
    - Adaptation skills

**Source: Du Plessis (2010, p. 186)**

Training should include: local cultures, values and attitudes - as well as highlighting those of the expatriate. There should be in-country training and cross-cultural training not only for all those employees selected for international assignment, but also for their spouses and other family members (Du Plessis, 2010). This author has also proposed that the training for expatriates on international assignments comprises different levels, as demonstrated in *figure 1* (Du Plessis, 2010)

From the above discussion, it can be said that human resource practices in multinational
organisations have become more complex as it necessarily involves diverse people (for example, in terms of gender, age, beliefs) from different countries. Therefore, the workplace is become more diverse.

### 2.3.4 Staffing approaches for international staffing decisions

Staffing approaches are significant for international staffing, especially for recruitment and selection processes in multinational organisations. According to Sengupta and Bhattacharya (2007), there are four main approaches that have been discussed by many scholars: ethnocentric, polycentric, geocentric and regiocentric.

- **Ethnocentric approach**: This approach operates under the conditions whereby most top management positions are filled with mostly home country nationals. The reasons for adopting this approach are two-fold. First, there is the perception that host country nationals are not qualified enough to fulfil the position; and, second, it is believed to ensure the most effective communication between foreign subsidiaries and headquarters (Sengupta & Bhattacharya, 2007).

- **Polycentric approach**: This approach is adopted when home country people are not available or are fully occupied at headquarters; most multinational organisations will thus employ local people to fulfil the positions (Cherunilam, 2010; Sengupta & Bhattacharya, 2007). This benefits the organisation in terms of reducing language issues and the cost of expatriate training. The salary bill is also reduced since local people are cheaper than expatriates (Sengupta & Bhattacharya, 2007). The approach is also applicable for assignments requiring more local/host country knowledge of the business and social environments and systems. Dowling et al. (2013) argues that employing local managers can reduce or even avoid the turnover of main managers in the organisation.

- **Geocentric approach**: There is no nationality limitation for talented applicants to apply for jobs. However, they must be available to work at both headquarters and subsidiaries. Having international exposure is an advantage, while it is essential that they are flexible and adaptable so that they are ready to move from one country to another on a range of assignments (Sengupta &
Bhattacharya, 2007). The geocentric approach seems to be more attractive than the ethnocentric and polycentric approaches since the organisations will be composed of a number of different cultures, and this can generate higher competencies. As Aswathappa (2010) argues, this staffing approach also tends to reduce myopic cultures and increase local responsiveness. It is also applicable for assignments requiring local country knowledge and so can help deal with language barriers, problem solving issues, some expatriate costs, and operating effectively within the host country social environment and systems (Dowling et al., 2013).

- **Regiocentric approach:** within this approach the international staff can be transferred within the same region that headquarters’ subsidiaries are located. It depends on the requirements of the organisation’s strategic plan as to whether they want specialists in particular functions (e.g. product lines) with headquarters or regional expertise. This approach allows for significant cross-cultural interaction within the organisation (Dlabay & Scott, 2011; Vance & Paik, 2011). Sometimes parent country nationals present themselves at the regional headquarters; for example, a French manager heads operations for IBM in Madrid, Spain (Vance & Paik, 2011). In addition, this approach is recommended to be used as a graduating phase when the organisation aims to change their staffing approach from an ethnocentric to a geocentric approach (Sengupta & Bhattacharya, 2007).

The above staffing approaches represent choices for the HRM practices in many multinational organisations.

**2.4 Diversity in the workplace**

Diversity normally refers to the differences and similarities that people bring into organisations and it is marked by many dimensions. Wambui, Wangombe, Muthura, Kamau, and Jackson (2013) state that diversity is about recognising that everyone is different in various ways, such as life styles, parental status, education, and so forth. Diversity is built on the principle of equal employment opportunity and includes the understanding of differences based on gender, race, age, ethnicity, cultural backgrounds and so forth (Department of Immigration and Citizenship, 2013). In relation to workplace diversity, Daft (2015) gives definition as follows: “a workforce
made up of people with different human qualities or who belong to various cultural groups” (p. 327). He also compares diversity from two perspectives representing a shift over time: formerly, diversity referred to a limited set of dimensions, but in today’s workplace, diversity has an inclusive meaning which considers how differences influence how people perform work, interact with others, gain satisfaction from work, and the way they identify themselves as people in the organisation.

2.4.1 Characteristics of diversity

Characteristics of diversity have been identified by many scholars and some of the main characteristics of diversity in the workplace are outlined below:

2.4.1.1 Cultural diversity

Cultural diversity in an organisation refers to the different cultures of diverse people in the same organisation. Each nation will possess its individual culture; in Hofstede’s cultural dimensions, cultural differences are a type of ‘collective mental programming’ that distinguishes people from different nations (Du Plessis, 2010). According to Stahl, Mendenhall, et al. (2012), culture takes the form of the sharing of assumptions, norms and values amongst people belong to a group; this also influences their socialization, language and their interpretations of events and issues. The United Nations agency, UNESCO, asserts that culture is the "set of distinctive spiritual, material, intellectual and emotional features of society or a social group and that it encompasses, in addition to art and literature, lifestyles, ways of living together, value systems, traditions and beliefs” (UNESCO, 2002 as cited in Edewor & Aluko, 2007, p. 189). Thus, cultural diversity in relation to the workplace can be understood as the form of diverse beliefs, thinking, values and so forth of diverse employees within an organisation, which influence the different perspectives, performance and attitudes of that organisation’s members.

Based on the work of Hasmath (2011), ‘ethnicity’ refers to the named groupings that identify as ethnic units, in which traits can be found at birth such as language spoken, ancestry or place of birth, religious affiliation, and cultural artefacts such as tradition and foods. In addition, ethnicity refers to a group of people who have their own biology, share cultural values, forms,
communication and membership identification which are defined by the group and by others (Hasmath, 2011). In relation to this, the above mentioned aspects have produced the separation of peoples who possess their own cultures and beliefs (Barth, 1998). The majority of ethnic groups are based on the cultural values and beliefs, and concerns acquired in the society rather than on the ascribed traits; in other words, the defined characteristics of each ethnic group varies according to context (Hasmath, 2011). Furthermore, the language, rituals, clothes and so forth of individuals are included in the element of culture; language is significant in the workplace as it is a means of communication and the indication of human thoughts, opinions, outlooks on life, which are essential for effective communication in organisation (Maha & Jafari, 2012).

Therefore, **ethnic diversity** is also related to cultural diversity. Schaeffer (2014) asserts that ethnic diversity could also refer to the preferences of a community and agreement or disagreement as to which public goods should be shared or not among people in the group or community. ‘Multiculturalism’ is a common term that is used instead of cultural diversity, where ethnic diversity is involved. Ethnic diversity refers to diverse ethnic cultures living together (Jackson, 2010). However, Njogu, Ngeta, and Wanjau (2009) argue that the nature of ethnicity diversity is the way that people identify themselves with others and mostly come up with their own peculiar attitudes, perceptions, and mindsets which could bring about conflicts. Hence, these scholars suggest further that it is necessary, when certain ethnic groups are represented negatively in society, to understand the nature of ethnicity clearly in order to prevent severe conflicts that would harm any benefits that might otherwise arise from multiculturalism (Njogu et al., 2009).

**2.4.1.2 Gender**

Gender diversity refers to dissimilarity between peoples that can emerge in many organisations; it is the dissimilarity between male and female employees in terms of group and personal identity. Furthermore, gender differences in organisations tends to cause dissatisfaction amongst, and the segregation of women (Lauring & Selmer, 2013). In addition, Ozbekgin and Syed (2010) state that a gender-segregated attitude is the main cause of gender dissimilarity itself. This is especially so where women are always working in isolation from men; it results in low
opportunities for, and participation of women in some industries. Thus, it can be said that gender diversity is the mixture of men and women in the workplace, and which needs to be managed carefully to ensure equal opportunities (Ozbilgin & Syed, 2010).

Women and equality at work is now increasingly significant in developing the economic status of some geographical areas. Based on the study of ‘gender diversity management in Asia’ carried out by Ozbilgin and Syed (2010), women have been performing well and improving the quality of work. Women are now entering the labour market at a higher level; however, most of their occupations are segregated and they are more likely to be put in lower positions. This segregation perpetuates the situation whereby young women ignore their career and future education development (Karsten, 2006). Moreover, Wood’s (1987) study found that mixed gender groups produce better results than a single gender group (as cited in Shore et al., 2009).

2.4.1.3 Age

Variations in age groups is considered as a type of diversity in the workplace; however, it is not related to group functioning, tasks and work outcomes as explicated by Lauring and Selmer (2013). In regard to the issue of age diversity, Hertel, Van der Heijden, Lange, and Deller (2013) assert that the ongoing demographic changes in relation, for example, to birth and mortality rates mean that there are changes in the size of age diversity in organisations. Older workers have increased in number in most organisations and industries; this causes differences between younger and older groups within the organisations. Managers need to design policies and practices to manage age differences at work effectively. This is because age-diverse groups can bring more benefits, but they can also produce negative outcomes due to stereotyping and prejudices between different age groups (Hertel et al., 2013). For example, there is a stereotype about older workers which negatively constructs them as unproductive, inflexible, harder to train and less creative (Shore et al., 2009).

2.4.1.4 Race

Race refers to the category that denotes the differences of people in society; in which the way a person is judged in terms of his/her rights, representation, resources and so forth, is based on race
and/or their skin colour (Byrd & Scott, 2014). Skin colour has been an issue of discrimination, especially in the U.S and South Africa; major discrimination has affected Blacks, Asian, Jews, Native Americans, Latinos and so forth (Wambui et al., 2013). An example of this issue can be found in the work of Paludi (2012); which describes racial discrimination within organisations, in particular how people of mixed race/with lighter skin colour, but lesser qualifications are more likely to be hired than people of darker-skin colour with higher qualifications. In addition, the institutional and organisational environment influences the employees’ perceptions of racial discrimination and whether they file charges (Paludi, 2012). Within a society or organisation, raising race-consciousness is a way to achieve anti-racism; being blind to racism is considered to be a form of racism. Passive toleration (failure to see evidence of racism), disregard (racial justice is not a priority) and collusive toleration (practices within operating norms are based on social standards) are some instances of being blind to racism (Syed & Ozbilgin, 2015).

2.4.1.5 Disability

Disability is one of the diversity characteristics. According to the Disability Discrimination Act (1995), disability refers to “a physical or mental impairment that has a substantial and long-term adverse effect on a person’s ability to carry out normal day-to-day activities” (as cited in Mulholland & Turnock, 2013, p. 128). It is found in the work of Paludi (2012) that in today’s workplace, it is still not easy for disability advocacy to be accepted; the rate of people with disability being hired is still low. According to the studies of Schur, Kruis, Blasi, and Blanck (2009) of 30,000 employees with disabilities, it is observed that many disabled people are still hired on lower pay, have less job satisfaction and less job security (as cited in Paludi, 2012). On the business side, even though successful disability management strategies are not easy to implement, many companies have been able to implement them in order to reduce absenteeism and get them back work (Geisen & Harder, 2011). These authors also add that, from their study in Switzerland, the reason for this issue is that disability can occur due to work accidents and illness, which could affect their ability to work. However, there are not just positive economic reasons for implementing this strategy, there is also the effect on corporate culture and the possibility of external incentives.
Overall, diversity has many different characteristics and, as mentioned earlier, these characteristics of workplace diversity have been identified by many scholars. However, based on the study of Kamal and Ferdousi (2009), they are classified into three main dimensions which are primary, secondary and tertiary. In this project, the researcher focuses only on the primary dimensions as explained above. These three dimensions are depicted in the figure below:

**Figure 2: Diversity dimensions**

![Diversity Dimensions Diagram](source: derived from Rijamampianina and Carmichael (2005) as cited in Kamal and Ferdousi (2009, p. 159)]

### 2.4.2 Managing diversity in the workplace

Generally, diversity is not perceived as the concept of differentiations, it refers to the concept of differences and similarities as argued by Harvey and Allard (2009). However, in terms of HRM, diversity refers to any distinction amongst people in terms of age, race, education, sex, religion experiences and so forth as claimed by Mondy (2012). Thus, diversity in the workplace could refer to diverse workforces who are considered central to the organisation’s strategic plan and which can contribute to the maximum organisational productivity (Mondy, 2012). However, Mor-Barak (2014) argues that diversity is the way people define themselves at work and how they approach their work, obtain job satisfaction and interact with others. Furthermore, diversity in the workplace is now becoming more appreciated by many organisations (Fox, 2014). Managing diversity is a conscious practice for knowing and understanding people in the
organisation, as well as understanding that diversity is not just about recognising difference. It is important to be aware also that personal, cultural and institutionalised discrimination benefits some people at the expense of others so it is necessary to create a confederate of all differences in order to dispose all discriminatory forms (Wambui et al., 2013).

As workforce diversity has increased, diversity management has become a crucial task for HR managers. Diversity management refers to the inclusive organisational programmes and policies that have been put in place to deal with employees from diverse backgrounds. Diversity management is divided into two different types: first, intra-national diversity management (which refers to the management of diverse workforces or immigrants within one nation); and second, cross-national diversity management (which refers to the management of diverse workforces or immigrants across multi-countries) (Mor-Barak, 2014). In addition, diversity management is used to ensure that all factors are considered in the development of a diverse workforce so as to optimise the organisation’s work outcomes and in the pursuit of an inclusive culture in which all workers can perceive value in their jobs (Mondy, 2012). As mentioned by Shen et al. (2009), diversity management is not just to recognise, but value and harness the differences of individuals precisely because it is an essential factor for the growth of organisations.

Mor-Barak (2014) states that diversity management is not the sole domain of HR functions since it is concerned with broader legal and cultural issues (Mor-Barak, 2014). The support of organisational structure and strategies are essential for diversity management. As Shore et al. (2011) suggest, diversity management strategies should be set up carefully and should not focus solely on increasing the number of diverse people; it is time to move beyond numbers towards integration or at least involving those diverse people in the organisation (as cited in Dyer, Humphries, Fitzgibbons, & Hurd, 2014).

2.4.3 Advantages of diverse employees and their management

Having diverse employees or workplace diversity is an important asset that consists harnessing human potential to generate a productive and creative environment to reach and support customers’ or clients’ need (Wambui et al., 2013). Those diverse people, with their different
backgrounds and experiences, have the potential to be innovative and inspire new thinking such that the organisation can grow (Advisory conciliation and Arbivation Services, 2012). People belonging to different groups possess different values, ideas and abilities which can be shared among team members to strengthen the productivity that is necessary for achieving a common goal (Lundrigan, Tangsuvanich, Yu, Wu, & Mujtaba, 2012). In terms of diverse people management, Shen et al. (2009) state that diversity management produces benefits as a result of nurturing the potential of diverse people and operating with a form of cultural pluralism. In addition, it is a process that aims to produce and maintain a good working environment where people value their similarities and differences and all have the same chance to contribute to the organisations’ objectives and common goals. At the same time, they can reach their own potential (Wambui et al., 2013).

Cultural diversity management can generate more participation of individuals, increase the flow of ideas, attract a higher number of highly talented people, strengthen employer-employee relationships, raise morale, reduce tensions that threaten productivity of the workforce, increase people’s understanding of the benefits of diversity, and improve motivation for all staff members (Nel et al., 2004). At the same time, by attracting and retaining the best human talents, diversity management also enhances organisational performance. Diversity improves marketing efforts as diverse staff help to attract a broader market base and brings about more creativity and innovation. For example, Hewlett-Packard, a highly innovative company, also built diverse teams to foster more creativity; it draws on diverse experiences which are useful for problem solving and enhancing flexibility of the organisation (Nelson, Quick, Wright, & Adams, 2012). In relation to this, Dyer et al. (2014) argue that an increase of ethnic diversity is also linked to the expansion of services and customer bases because it enables a better match between the diverse demographics of the workforce and those of the people in the surrounding the community. Another significant point is that people prefer to engage and interact with those who are similar to themselves much more than with those who are perceived as different (King, Hebl, & Beal, 2009; Dyer et al, 2014).

Furthermore, women are increasingly present in the labour market; this helps to improve the working environment in the organisation. Myers (2013) as cited in Dyer et al. (2014) states that
peaceful and just negotiations could be more common if more women were seated at the tables of power. Many reports provide evidence for the claim that organisations that have women as board members can achieve higher profits than those which do not (Catalyst, 2004; Rosener, 2009 as cited in Dyer et al., 2014). In addition, while Equal Employment Opportunity (EEO) and Affirmative Action (AA) commitments have been taken on board by HRM, diversity management’s scope is broader as it aims to remedy inequalities resulting from individual differences and to create an inclusive organisational culture in order to maximise benefits from a diverse workforce (Shen et al., 2009). However, it is essential to recognise that diversity will produce positive effects on the organisation only if it is well-managed and fully implemented (Mor-Barak, 2014).

2.4.4 Challenges of, and barriers to diversity management

However, managing diversity can also pose some challenges when put into practice. Green, Lopez, Wysocki, and Kepner (2012) point out that prejudice, complaints, discrimination and legal actions can reduce organisational productivity. For instance, the negative behaviour and attitudes which consist of prejudice, stereotyping and discrimination can cause costly litigation for organisations. According to Edewor and Aluko (2007), inclusiveness requires people to value diversity. However, not everyone will agree that diversity is beneficial; instead they may believe it to be troublesome. The authors state further that cultural transformation is another barrier as people may not believe others’ cultures to be as valid as their own (Edewor & Aluko, 2007). Besides prejudice, discrimination, ethnocentrism, and stereotyping, the barriers to accepting a diverse workforce can entail individuals engaging in ‘blaming the victim’ behaviour, harassment and displaying backlash reactions (Bedi, Lakra, & Gupta, 2014). In addition, Cox (1994) asserts that cultural communication can also cause misunderstanding among people in the organisation, which then brings about lower work productivity (as cited in Edewor & Aluko, 2007).

Another challenge in diversity management is resistance to change. According to Lussier and Hendon (2013), workplace diversity itself is also a concern of people who are familiar with less diversity so that they will resist change. In addition, there is also resistance to change on the part
of some senior managers in terms of having to share power; some of them may have negative reactions to the change in organisational structure as most of the resistance to such change is related to fears of losing status, influence and power (Roberson, 2013).

In addition, managing workplace diversity effectively and maximising diverse benefits from diverse employees are not easy tasks. Wambui et al. (2013) assert that there are also some potential barriers to effective management of diversity, such as prejudice and bias, that can challenge the organisation’s performance. For example, women and minorities – who have to deal with childcare and lower salaries – receive fewer promotional opportunities and are prevented from accessing higher positions or management levels in the organisation.

Another difficulty is activating inclusive teamwork amongst diverse employees. Shore et al. (2009) say that failure to create an effective team with diverse employees can have some consequences that restrain the progress of organisations. Cultural differences and national diversity can cause negative stereotyping, social classification, discrimination, and the misinterpretation and lack of communication that is caused by different first languages amongst team members. People who do not have English as their first language are more likely experience difficulties in communicating with one another and negative attitudes, such as stereotyping, prejudice, bias diversity, and discrimination, can follow and so harm the relationships and morale of people in the same organisation (Wambui et al., 2013). In addition, people from the same country can have different languages as well. This can cause confusion and delay work. As Nelson et al. (2012) claim, even if people use the same language, they may have dialect differences.

Based on the research of Patrick and Kumar (2012), the obstacles for acknowledging workplace diversity are ranked from top to bottom as follows: discrimination, prejudice, ethnocentrism, blaming the victim, stereotypes, and harassment. Mor-Barak (2014) also demonstrates that the attitudes and behaviour of managers and employees, particularly in terms of prejudice and discrimination, are the main barriers to implementing inclusive policies in the organisation. Another important issue is to ensure the appropriate use of management tools and approaches; some organisations may use AA policies in the wrong situation and this can result in problems
in solving diversity issues (Wambui et al., 2013).

There are further issues that arise in diverse workgroups which can dampen the quality of an organisation’s work. It is true that diversity can strengthen organisational performance as it provides more skilled people and generates wider perspectives. However, conflicts happen if the needs of a person or group does not match another’s, especially when it comes to disagreements over the goals and prioritisation of work and how the work is to be done (Boone & Kurtz, 2011). Problems around process can cause delays in decision making as it takes more time to negotiate with individuals; process problems within teams also happens due to the conflicting perspectives, unclear communication and negative attitudes towards team members (Cragan, Kasch, & Wright, 2009). Furthermore, people from different cultures may perceive issues differently and misinterpret the reactions of others, which can cause misunderstandings and lead to disputes (Dowling & Welch, 2004). In relation to this, the negative relation between a diverse workforce and organisational performance can emerge due to those conflicts, poor team cohesion, and miscommunication amongst ethnically diverse workgroups; these issues bring about lower group and organisational performance (Dyer et al., 2014).

### 2.4.5 Roles of managers and HR managers

Managers and HR managers generally have both different and similar roles in an organisation. A manager is mainly responsible for guiding and following up projects and tasks; while an HR manager is mainly dealing with managing and motivating people in the organisation to ensure the accomplishment of the organisation’s strategic goals and objectives (organisational success); in other words, they need to ensure to recruit, deploy, remunerate and train people effectively for organisations (Hartel & Fujimoto, 2015). However, in terms of HRM, both roles require managers to effectively manage and control all employees, especially in terms of creating HR policies; HR managers have to work closely with line managers to improve HR policies for employees (Jackson, Schuler, & Werner, 2012). The policies and programmes are developed by HR managers and then all responsibilities are handed over to department managers (Kulakowski & Chronister, 2006). Those managers need to motivate and encourage their diverse employees to contribute their professional abilities to the work of organisations through, for example, the
encouragement of an inclusive working environment and promoting equal opportunities in the workplace.

Snell and Bohlander (2013) add that besides understanding the organisation and the personal education and experiences of staff; it is a prerequisite that HR managers should be able to look past identity categories that distinguish employees and notice how those employees learn, work, think and interact with each other. To do so, HR managers need to recognise and explore employees in terms of their diverse potentials and abilities, and whether or not they can add value to the organisations. In this way, the organisations can generate benefits from those category differences. However, Green et al. (2012) claim that there is not one sole rule or recipe for effective diversity management. HR managers need to be self-aware so as to identify their own personal biases. Line managers are also central to encouraging and motivating employees to work effectively and efficiently as they are the ones who closely guide employees in their main tasks (Hunter & Renwick, 2009).

2.4.6 The impetus of diversity management

There are many stimuli for managing diversity in the workplace. Mor-Barak (2014) suggests that those stimuli have been grouped into three lines of thinking which are as follows:

- **Diversity is a reality and here to stay**

The number of diverse workforces in current multinational organisations is increasing, and this brings about new realities. The adaption to the reality of differences among staff is necessary as human difference cannot be ‘blended’ out of existence, but it can be managed by combining and transforming differences into competencies (The Harvard Business Review Paperback Series, 2002). According to Robinson-Easley (2014). The complex situation of organisations having a large and widespread workforce requires managers to be more flexible, adaptive to change and able to develop the best strategies for managing diverse workers in order to create good opportunities to maximise organisational benefits.

- **Diversity management is the right thing to do**
This relates to the moral and ethical aspects of organisations. Equal opportunity is the main idea that needs to be applied irrespective of the differences between individuals. Furthermore, promoting social justice is an obligation for organisations to take into account. Velasquez (2011) explicates how equal opportunity to access jobs and fair treatments are prerequisites to put at the heart of managing diversity as they are used to overcome the discrimination that is unjust and has caused past wrongs (as cited in Mor-Barak, 2014). Furthermore, Townsend and Wilkinson (2011) suggest that equity is a vital objective for every employing organisations as well as for governments, and, as the diverse workforce has increased, equity is becoming even more essential for managing diversity across many economies.

- **Diversity makes good business sense.**

Diversity can assist the organisation to become more competitive. This is because by managing diversity the organisation can obtain many benefits: lower absenteeism; a more talented workforce, reduced risk of unlawful discrimination, access to more customer bases, more innovation, and a positive reputation (Mor-Barak, 2014). Relating to this, a diverse workforce increases the capacities to access a diverse customer bases as well as the diverse ideas, experiences, abilities, innovations and perspectives that help to develop new and existing products and services and bring them to the market (Dubrin, 2012; Romanenko, 2012).

### 2.4.7 Equal Employment Opportunity (EEO)

Adhering to Equal Employment Opportunities (EEO) entails removing all barriers to ensure that all employees in the organisation have the same opportunities for employment and the same chance to perform to their potentials and offer their best to the organisation (Equal Employment Opportunities TRUST, n.d; Finney, Finney, & Parry, 2014). Similarly, The Ohio State University (2013) states that EEO refers to the equality of accessing the positions and work in the organisation for all people regardless of their national origin, colour, race, sexual orientation and veteran status; this is limited solely by their capacity and ability to do the specific tasks. In many countries, forms of equal employment emerged initially from the common goal of providing everyone with equal opportunity without any concern for the individual’s characteristic; while some others focused on the same treatment insofar as they allow some
forms of Affirmative Action (AA) to happen in order to assist organisations/employers to remedy and correct past discrimination against ‘protected-class’ members, such as minorities and women (Finney et al., 2014).

Equal Employment Opportunity is also defined as the same treatment that an organisation provides to all employees in order to avoid any discrimination against protected-class members on the basis of some illegal circumstances in regard to work in the organisation; for example, discrimination in performance appraisals, development opportunities, and career and promotion opportunities (Denisi & Griffin, 2014). In this case, it is recommended that employers fully understand their own rights and responsibilities regarding anti-discrimination and anti-harassment in organisations, as well as human rights regulation (see Australian Government, n.d). By following anti-discrimination and anti-harassment processes effectively, the organisations can increase efficiency and improve productivity (Australian Government, n.d). In addition, Finney et al. (2014) suggest that performing EEO and remedying previous discriminatory practices helps to promote social equality; in this sense, the improvement of diversity programmes is considered as serving the interests of all stakeholders. Furthermore, promoting diversity in the workplace can assist in improving the image and increasing the appeal of the organisation, amongst the wider public, as a potential employer (Finney et al., 2014). They state further that discrimination/harassment issues can cause severe damage to the organisation’s reputation, especially if there is drastic discrimination, courts may command the organisation to engage in Affirmative Action (AA) (Finney et al., 2014).

**2.4.8 Affirmative Action (AA)**

Affirmative Action (AA) is defined as “an active effort to improve the employment or educational opportunities of members of minority groups and women” (Merriam-Webster online dictionary as cited in Golland, 2011, p. 171). Affirmative Action encompasses the procedure, policy and result-oriented actions that are necessary for employers to take in order to ensure that every employee or people in a protected group in the organisation are afforded equal employment opportunities (The Balser Group, 2014). In addition, AA is a tool that employers use to confirm their positive and proactive recruitment, hiring, training and promotions policies
in the organisation, which are designed to make sure that people are treated and represented equally and appropriately at all levels (The Balser Group, 2014). Affirmative Action helps employers to classify the improvement and commence positive steps to enhance the opportunities for protected class members such as minorities, people with disability, women and qualified veterans (The Ohio State University, 2013). AA is a prerequisite for employers to include women in their workforce; indeed by attending to AA, employers are recommended to consider the issues of race, age, gender and national origin when hiring groups of people in order to make up for historical discrimination in the workplace (Mathis & Jackson, 2009).

Carroll and Buchholtz (2012) also consider AA to be one of the answers of governments to the discrimination problem as it is the process of performing positive steps in hiring and promoting people who were previously discriminated against. AA is also used to help those protected class members who are underrepresented in terms of being hired, trained, and promoted and so diminishes the effects of discrimination problems (Harrison, Mayer, Leslie, Kravitz, & Lev-Arey, 2006; The Ohio State University, 2013). Based on the study by Mathis and Jackson (2009) in the U.S., it is evident that without AA, many people would be economically disadvantaged. Without required programmes to enable women, protected groups and minorities to compete with whites or males, such people will have less, or never have, any opportunity. The researchers assert further that AA is used to overcome previous inequality and create more equal opportunities for all. Raising the level of employment of protected-group members, at the same time as avoiding any discrimination against males or whites, ensures the long-run success of the organisation, allowing it to focus more on goals and the progress of work than just on quotas (Mathis & Jackson, 2009).

In terms of attitudes towards AA, there have been some changes which are due to globalisation bringing about more diverse customers and diverse workforces (including expatriates). It is necessary for organisations to carefully consider and choose the best practices when designing a programme for managing diversity; fair and just attitudes are required in the employment practices of organisations (Carroll & Buchholtz, 2012). However, according to the study by Aberson (2007), more diversity experiences produce more positive changes in attitudes towards AA; whereas less experience of diversity can produce less positive changes in attitudes.
Harrison et al. (2006) state that the attitudes toward AA programmes are complex; however, according to their study, those attitudes are derived from four criteria: the structural features of the programmes, the way employees evaluate the programmes, the ways organisations impart the programmes, and the interaction between those factors.

On the other hand, AA has come under some criticism; courts may find employers guilty of past discrimination. However, while AA is used to reverse and correct the discriminatory impacts upon minorities or protected groups in the past, the employers or organisation can be accused of present discrimination as current employees who are not categories under protected groups consider themselves as unprotected groups (Snell, Morris, & Bohlander, 2013). These authors call this situation ‘reverse discrimination’. This situation is also highlighted by Schermerhorn (2011) who points out that when putting female or minority status as a criterion for employment, there will be claims from members of majority groups that it represents reverse discrimination.

### 2.4.8 Models of managing workforce diversity

There are many models of managing diversity in the workplace. However, Danowitz, Hanappi-Egger, and Mensi-Klarbach (2012) have grouped the work from diverse scholars into three models: stage and process models, change models, and organisational learning models. All of these are about effectively maximising benefits for organisations, which can be derived from diverse workforces.

#### 2.4.8.1 Stage and process models

According to Danowitz et al. (2012), the stage and process models explain how organisational structure and functions are changing at different stages in response to external factors such as labour market changes, demographic transformation, increasing globalisation, and policy shifts. In addition, to deal with diversity, these models comprise three features: organisational policies, different phases of equality, and associated processes. These features are linked to the improved approaches (Danowitz et al., 2012). Most organisations create diversity policies so as to reduce their liability, and generally they move through three stages of action: promoting non-discrimination, promoting diversity, and promoting inclusion of employees (Powell, 2011). To
promote non-discrimination is to treat all employees the same regardless of their personal characteristics or on the basis of their sex, race, age, nationality and so forth in accordance with EEO law. To promote diversity means to promote the number of diverse people in each work group and in different types or at different levels of work. At this stage, an organisation needs to demonstrate that it is considering, too, an AA programme. To promote inclusion in an organisation refers to the way the organisation encourages various people to work together in groups and so concerns the quality of work relationships (Powell, 2011).

Powell’s ideas for organisational action stages are also aligned with the notion of Taylor Cox regarding the non-discriminatory promotion policies of multicultural organisation. In addition, Thomas (1991, 1996) states that organisations should adapt their systems if they wish to maximise the benefits from a diverse workforce. He proposes a three stage model of managing diverse employees: 1. Affirmative Action; 2. Valuing differences; and 3. Accepting and managing them (as cited in Anca, 2012). Together, all these stage and process models are aimed at promoting the value and acceptance of diversity and gaining advantages from it to enhance organisation’s success.

2.4.8.2 Change models

Change models are set up based on stage models and gather many change strategies together. This means that organisations adopt a more engaged and proactive approach towards equity and diversity (Danowitz et al., 2012). In addition, the internal processes and structural functions of an organisation are taken into account in order to serve the aim of increasing diversity and inclusiveness in the organisation, while also focusing on its numerous other activities (Danowitz et al., 2012). According to Cox (2001), there are five components included in a work diversity model: leadership, research and measurement, education, alignment of management system, and follow-up affairs. All of these are to promote diversity within the organisation, develop appropriate management systems and vision, as well as the assessment of other systems to ensure effective change and thus a commitment to diversity management (as cited in Anca, 2012).

In addition, Allen and Montgomery’s model is adapted from Lewin’s model, which focuses on managing diversity as the main means of guiding the development of an organisation and change
strategies which aim to promote the inclusiveness of diversity (Byrd & Scott, 2014). There are three stages of Lewin’s planned change model that Allen and Montgomery (2001) have developed: 1. *Unfreezing* current objectives, guidelines, efforts and procedures of the organisation, and managing those employees who resist change; 2. *Moving* forward to amend, disassemble the innovative objectives, strategies and procedures and move from a diversity vision into concrete activities in the organisation; and 3. *Refreezing* every innovative position to reach future objectives of the organisation and to align and secure all procedures, policies and strategies in order to sustain the new culture (Byrd & Scott, 2014; Danowitz et al., 2012).

**Figure 3: Lewin’s planned change model**

![Lewin's planned change model](image)

*Source: adapted from Waddell, Creed, Cummings, and Worley (2014, p. 35)*

### 2.4.8.3 Organisational learning models

According to Lee et al (1992), organisational learning refers to “a process in which individuals’ action leads to organisational interaction with the environment; the environment responds; and environmental responses are interpreted by individuals who learn by updating their beliefs about cause and effect relationships” (Beats, 1998, p. 41). Organisational learning models in diversity management focus on a learning orientation which emphasises the receptive and accommodating interactions of groups and individuals to diversity (Danowitz et al., 2012). In relation to this, Agars and Kottke (2005) propose a three-stage model for organisations to learn and acknowledge diversity: “1. Issue identification, during which they make managing diversity a priority; 2. Implementation, during which existing practices are accepted and new policies are implemented, which support a diverse workforce; and 3. Maintenance, during which formal and informal processes are established” (as cited in Anca, 2012, p. 264).

According to the study of Anca (2012), most of these models have been tested by many...
companies and monitored by many scholars; it showed that this three-stage model is one of the models that helps develop diversity policies and practices in an organisation within a larger framework.

**Table 1: Three Models of Diversity Management**

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Stage and process models</th>
<th>Change models</th>
<th>Organizational models</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Perspective</strong></td>
<td>Reactive to environmental changes</td>
<td>Proactive change strategy</td>
<td>Learning orientation</td>
</tr>
<tr>
<td><strong>Focus</strong></td>
<td>Phases of equality (non-discrimination, diversity, inclusion)</td>
<td>Structural functions and processes to change organizational cultures</td>
<td>Individual and group receptivity, accommodation of diversity</td>
</tr>
<tr>
<td><strong>Features</strong></td>
<td>Organizational policy to improve equality stages</td>
<td>Multiple and broad activities</td>
<td>Moving to inclusive organisations</td>
</tr>
</tbody>
</table>

*Source: Adapted from Danowitz et al. (2012, p. 141)*

As can be seen in Table 1 above, there are three diversity management models. All three are aimed at improving diversity management and focus on achieving inclusive working environments through the use of different strategies. Stage and process models focus on the movement of external environmental changes which vary at each stage. Roberson (2013) argues that subnormal performance in managing diversity can occur due to organisational ignorance of demographic changes; thus, external changes need to be taken into consideration when managing workplace diversity. However, successful diversity management entails not only providing equal opportunities for everyone in the organisation, but also focusing on adapting and adjusting to the surrounding situation (Danowitz et al., 2012). Change models, which are developed based on the stage and process models, aim to transform those resistant to change and leading them into new cultures. This can be achieved through a planned change model - unfreezing-moving-refreezing. If a system is put in place to make changes, then those changes can be evaluated as planned. Cox (2001) emphasises that the failure of diversity work can be due to misdiagnosed problems, wrong solutions, and misunderstandings of the learning involved in diversity work (as cited in
Thus, a planned change model can help remedy these problems.

Organisational learning models, the third identified in Table 1 focuses on the understandings of individuals and groups. Humans are not entities that can be ‘blended’ into one, but they can be managed by combining their differences into competencies so as to extract benefits from their diversity (The Harvard Business Review Paperback Series, 2002). Therefore, individuals need to share all of their differences in terms of their ways of thinking, innovative ideas, acceptable and unacceptable traits and so forth in order to adapt to each other and develop good practices in creating an inclusive organisation.

In addition to the above three models, Kreitz (2007) points to the nine leading best practices for organisational diversity management in the U.S. Government Accountability Office’s (2005) report on ‘Diversity management: Expert-identified leading practices and agency examples’ These are listed below:

1. Top leadership commitment: a vision of diversity demonstrated and communicated throughout an organisation by top-level management.
2. Diversity as part of an organisation’s strategic plan: a diversity strategy and plan that are developed and aligned with the organisation’s strategic plan.
3. Diversity linked to performance—the understanding that a more diverse and inclusive work environment can yield greater productivity and help improve individual and organisational performance.
4. Measurement—a set of quantitative and qualitative measures of the impact of various aspects of an overall diversity program.
5. Accountability—the means to ensure that leaders are responsible for diversity by linking their performance assessment and compensation to the progress of diversity initiatives.
6. Succession planning—an ongoing, strategic process for identifying and developing a diverse pool of talent for an organisation’s potential future leaders.
7. Recruitment—the process of attracting a supply of qualified, diverse applicants for employment.
8. Employee involvement—the contribution of employees in driving diversity throughout
9. Diversity training—organisational efforts to inform and educate management and staff about diversity’s benefits to the organisation (US Government Accountability Office, 2005).

### 2.5 Summary

This chapter provided the literature review for the research project. It organised the literature into three categories. The first category was the background to HRM and the second was the information about international HRM which included the definition of IHRM, and the definition of multinational organisations that employ IHRM. This category covered staffing approaches, ethnocentric, polycentric, geocentric, and regiocentric, which function as guides for multinational organisations when considering how to apply the appropriate approach for managing their people. As the focus of this research project is diversity management, the third category explained the meaning of workplace diversity and diversity management. Some of the characteristics of diversity in the workplace, the ways to manage diverse workforces, the advantages of such diversity and the barriers to diversity management were discussed. Furthermore, the three models of managing diverse employees - stage and process models, change models, and organisational learning models - were also explored in this category.

In chapter 3 the research methodology for the research project is discussed.
Chapter 3: Research Methodology

3.1 Introduction

In chapter 2 the literature relating to the research project was discussed, looking at the function of IHRM and diversity management. The literature supports the conclusions of this study. The literature also discussed the function and roles of managers and HR professionals, as well as the management, advantages and disadvantages of having a diverse workforce or diversity in the workplace.

In order to achieve the objectives of this research, research methodology will be discussed in this chapter. The research methods, which include the discussion of quantitative and qualitative approaches and the rationale of using a qualitative approach in the research, will be presented. However, this study will employ only one method - which is a qualitative approach - by using the semi-structured interview. In addition, the choice and selection of samples and participants for this project will be explained. Finally, the strategy for analysing the collected data and the ethical issues of the research will be discussed in order to ensure that all relevant issues in the research are addressed.

3.2 Methodology

3.2.1 Research methodology

According to Bhattacharyya (2006) and Daniel and Sam (2011), research methodology is a scientific and systematic process used by researchers in order to design how research should be carried out and how to achieve the aims of the research. Methodology refers to the discipline regarding the method and the form of enquiry chosen, as well as referring to the selection of research approaches used to explore the social world. It is also a guide as to how to carry out the research in any specific paradigm (Daniel & Sam, 2011). In addition, methodology is not just a discussion of ideas and methods but also the aims and objectives of the research (Daniel & Sam, 2011; Hammersley, 2011). Furthermore, Clough and Nutbrown (2007) say that a crucial task of
methodology is to identify and select the appropriate methods employed in a particular research. Hence, the researcher needs to focus clearly on all stages of the methodological principles as they are the core aspects of completing the project (6 & Bellamy, 2012). In addition, Daniel and Sam (2011) also state that methodology can be either in the form of quantitative or qualitative approach.

### 3.2.2 Research paradigm

According to Hennink, Hutter, and Bailey (2011), there are two different methodological paradigms: positivist and interpretive. The *positivist paradigm* is the foundation of experimental research that uses quantitative research methods in which the researcher has no influence on collecting data. In addition, Wimmer and Dominick (2014) also add that the positivist paradigm is mostly used in the natural sciences and features in the concept of hypotheses, quantification and objective measures. The *interpretive paradigm* by contrast focuses on exploring people’s lives, experiences and perspectives by employing qualitative research methods (Hennink et al., 2011). In addition, the interpretive paradigm is used to survey and understand people’s everyday life and how they interpret the meaning of events in their societies (Wimmer & Dominick, 2014).

In regard to this research, the researcher used the interpretative paradigm: the qualitative research method was employed in the interviews in order to gain a deep understanding from each participant.

### 3.2.3 Quantitative and Qualitative Approaches

#### 3.2.3.1 The Quantitative Approach

The quantitative research approach is based on the collection and analysis of quantitative or numerical data, in line with the quantitative research paradigm (Daniel & Sam, 2011). Bryman (2012) and Daniel and Sam (2011) state that the quantitative research approach is employed by researchers to confirm the hypothesis of their studies as it relates to the deductive approach. This uses the relationship between the existing theory and the study in order to test and prove the
hypotheses and experimentation of the study. The Quantitative research approach also emphasises the outcome of the numerical results and generally tests the causes and effects (Rubin & Babbie, 2011).

The quantitative research approach benefits the researcher in terms of collecting data. The quantification data is derived from a large sample, using the same criteria, via a questionnaire, which is a cost effective method. In addition, the data analysis is produced in a statistical form, which helps researchers access proportions of, for instance, like or dislike, percentages, density, level of needs and wants and so forth among respondents towards an issue (Williman, 2011). In other words, quantitative analysis is described as a tool to measure, compare, examine relationships, explore and explain some of the issues being studied (Williman, 2011). However, the quantitative method still has a weakness as it cannot examine the respondents’ understanding and experience in-depth. This is because of the way questions and answers are structure, leaving gaps and conclusions open to interpretation (Besio, 2008; Bryman, 2012).

3.2.3.2 The Qualitative Approach

In the qualitative research approach, the researcher does not test the hypothesis but, rather, generates new ones and also generates grounded theory when collecting qualitative data (Daniel & Sam, 2011). It is implemented in the form of the interview which consists of what, why and how questions. It enables researchers to gain more accurate data, as it is normally emphasises in-depth understanding and focuses more on the iterative than the fixed, and more on the emerging than the pre-configured (Ulin, Robinson, & Tolley, 2005). In addition, qualitative research is suitable for some areas of study that require investigating, theory development and testing, creating justification and exposing new phenomena (Garcia & Gluesing, 2013). Furthermore, Myers (2013) suggests that the qualitative research approach is suitable for exploratory research and discovery, when the researcher needs to study a topic that is new and where relevant publications have rarely existed previously. In addition, Hines (1993) and Trotter and Potter (1993) assert that this method helps to observe the characteristics of the cultural systems of specific groups (as cited in Garcia & Gluesing, 2013). In this method, the inductive method is employed; it is a “bottom-up” method or from the specific to the general (Daniel & Sam, 2011).
Moreover, qualitative research has many advantages for exploring the international consequences and outcomes. It helps researchers to see the factors concerning the differences among people in a society, their social norms, and socioeconomic status; other than that it helps to increase the understanding of the complexity of real-life. This is especially true of the in-depth interviews that are important for revealing deeper perspectives and experiences of people within their daily lives and also the issues being investigated and studied (Macqueen, Guest, & Namey, 2011; Sparkes & Smith, 2014). Adams, Khan, and Raeside (2014) state that there are many methodological approaches involved, which are based on many diverse principles (hermeneutics, phenomenology and social interactionism). Many anthropologists employ these principles in order to study the behaviour of people from different cultures, customs and also in diverse areas such as psychology, sociology, education, culture, human well-being as explained by Adams et al. (2014).

Besides these benefits, this approach also has attracted some criticism. Some participants may have less information on and interest in the issues being asked; this can cause difficulties in summarising the data collected, so that it would provide only superficial perspectives (Bryman, 2012; N. King & Horrocks, 2010). However, in regard to the outcome of using this method, Rubin and Babbie (2011) assert that the result of qualitative research cannot be reported numerically; it aims to provide more ideographical and deeper understanding of people’s experiences and perspectives as well as providing more in-depth information. In addition, the conclusion is derived from the interpretation of each contributor (Bryman, 2012).

Overall, both approaches, quantitative and qualitative, have benefits for researchers depending on their expertise or area of their studies. However, in this study, the researcher utilises the qualitative research approach as a tool to collect data because it is considered to be the appropriate approach.

### 3.2.4 Rationale for a qualitative approach to the research

As there is limited information available about diversity management in multinational organisations in Lao PDR, time constraints in collecting data and the unfamiliarity of E-survey
questionnaires among Lao participants is a problem. The researcher may consider that the qualitative approach is appropriate for data collection through the interview process. Although all target participants are in the HR field, it cannot be guaranteed that they will answer quantitative questionnaires precisely. Thus, the qualitative approach would allow the researcher to explore the real perspectives of participants as well as allowing the participants to have a chance to discuss further the issues being asked; in addition, it is a chance for the researcher to observe participants’ reactions to the questions being asked (Myers, 2013).

Furthermore, the research topic is related to diversity management, which involves cultural differences and the practices of people within organisations; the qualitative approach will support the researcher in obtaining more in-depth perspectives about issues which would not be revealed through quantitative questionnaires (Tracy, 2013). In relation to this, Myers (2013) also adds that to encourage participants to express their thoughts through a talking (interviewing) process is a way to explore deeper perceptions and to know what people are thinking towards a specific issue. In other words, talking is a process that generates a clearer understanding of human thoughts. Thus, qualitative research method is considered to be an appropriate tool for this research. The answers to the interview questions will assist the researcher to explore more accurate information as well as the reaction of the participants. This method may also be less time consuming.

### 3.3 Sample selection

Sample selection is a crucial part of research. According to Thompson (2012) and Khan (2008), sample selection is the selection of some parts or groups of a population in order to observe, estimate and produce a conclusion that relates to the whole population; the researcher needs to ensure that selected sample is absolutely representative of the whole and to ensure that the appropriate sample size has been selected. According to Connaway and Powell (2010), there are two basic types of sampling methods; probability and non-probability. Probability sampling is where the researcher uses the known elements of the samples chosen; while non-probability sampling allows for the unidentifiable element of the population being included in the research (Connaway & Powell, 2010). In this study, non-probability sampling is applied, in which many
techniques are included; however, purposive sampling is the most suitable technique for this study.

Engel and Schutt (2010) state that *purposive sampling* is also called *judgemental sampling*. The purposive sample is the technique that researchers use to select their samples based on their knowledge and working experience of the population and the research objectives that researchers want to achieve in their research study (Connaway & Powell, 2010). Purposive sampling involves the study of a subset of a population in which all the purposive samples are individuals who have knowledge and experience about the issues being studied or investigated (Engel & Schutt, 2010). Rubin and Babbie (2011) and Engel and Schutt (2010) also assert that purposive sampling allows researchers to choose samples by their own judgement in the belief that a comprehensive and in-depth understanding of their research objectives can be derived from those selected samples.

Therefore, in this research study, the researcher aims to collect data through purposive samplings. The participants will be approximately 10 to 16 participants who work in multinational organisations in Laos.

**3.4 Scope of the research project**

In regard to this study, the researcher selected participants from multinational organisations in Laos in order to ask for their perspectives on the management of diverse employees in a Lao context. These organisations employ people from various places so that the information gathered from these people is relevant to the objectives of the research. As Shah et al. (2012) state, multinational organisation or MNC refers to a business operation that is located overseas, which could be in more than one country or across boundaries with the aim of creating more value-added holdings. Thus, it is unavoidable that these types of organisation will consist of diverse employees, where both local staff and expatriates are included.

Having diverse employees in the organisation can generate both positive and negative outcomes. Edewor and Aluko (2007) state that diverse people have different thoughts in valuing diversity in
the workplace; some would think that diversity can benefit them while others would think that it causes problems in the organisation. Having diverse people could cause prejudice, complaints, legal actions and discrimination, all of which may be considered as the causes of unproductive work (Green et al., 2012). Overall, a diverse workforce is considered to be a two-edged sword that can benefit the organisation and also cause severe problems to the organisation if not well-managed (Ehimare & Ogaga-Oghene, 2011). Therefore, all managers and HR managers in many multinational organisations are required to manage their people carefully.

For this research study, the participants are managers and HR managers in multinational organisations because these people have the role to manage and guide diverse employees under their supervision. Even though HR managers are people who are responsible for managing all employees in the organisation, all other line managers also play a significant role in encouraging and motivating employees under their supervision to work effectively and efficiently. They are the ones who closely guide and supervise employees in their main tasks (Hunter & Renwick, 2009).

Therefore, this research study aims to find out how HR managers and non-HR managers who are responsible directly for their diverse subordinates perceive workplace diversity in Laos, especially in multinational organisations that consist of many nationalities, ethnicities, working styles and so forth. It aims to explore how they manage diverse employees, what types of benefits they gain from them, and what barriers they face in order to find a suitable solution that would fit the environment in Laos.

3.5 Research Method

The research method is crucial in conducting a research study. It is a tool that the researcher can use to conduct and implement the research (Adams et al., 2014). Sahu (2013) and Mora, Gelman, Steenkamp, and Raisinghani (2012) state that the research method mainly deals with the data collection and analysis in order to generate an answer to the research problem, and extrapolate new knowledge. Many analytical tools are also included such as survey and experimentation methods as well as techniques for assessing the accuracy of the result (Sahu, 2013).
In this study, the research employs the semi-structured interview to gather information to answer the research questions and objectives.

### 3.5.1 Research method: semi-structured interview

This research study will employ one method - the semi-structured interview. The semi-structured interview is widely used by qualitative researchers because the interview consists of open ended questions which allow both the interviewer and interviewee to elaborate more upon points that are unclear or have further interesting aspects (Hancock, Ockleford, & Windridge, 2009). In semi-structured interviews, it is not necessary to follow the exact format of the questions. Rather, the aim is to gain individual perspectives from interviewees who are expected to answer the questions as freely and extensively as they wish (Flick, 2011). By employing this method, the researcher can perceive in-depth perspectives on the issues being discussed. Willig (2013) adds that the data collection from semi-structured interview is accordant with several data analysis methods such as grounded theory, interpretative phenomenology and discourse analysis. Within this interview structure, the interviewer can encourage the interviewees to think of discussing issues in diverse ways, such that new knowledge may be generated (Willig, 2013). Therefore, this research will employ the semi-structured interview to gain more insightful information and relevant perspectives to answer the research question.

### 3.5.2 Selection of semi-structured interview sample

The participants in this study are those who work as HR and line managers in multinational organisations in Laos. All of their working experiences, the structure of their organisations, and the positions of individuals are worthwhile of study in this research project. These people and their organisations are believed to be the best samples from which the researcher can obtain relevant information for managing diversity in the workplace. It is not only HR managers that will be able to provide information about employees effectively, but also other managers. Hunter and Renwick (2009) state that all HR managers and line managers have responsibilities to control, motivate and advise their staff who work under their supervision. Therefore, these selected samples are considered as appropriate to answer the research questions and objectives of this study. Furthermore, the sample size is designed based on the purpose of the study and also
on the work experiences and positions of each participant, whether a manager or an HR professional.

The researcher elected to submit requests to nine multinational organisations in Laos, requested two participants from each organisation. The required participants were ideally HR professionals and other line managers in the organisations. However, the number of participants who agreed to participate in this research study only totalled 12 from the nine organisations.

All of the 12 participants met all the criteria to provide information to answer the research questions and objectives. Based on Pitney and Parker (2009), the sample size for a qualitative approach is sufficient; however, it may be helpful to examine the samples of other qualitative studies. Some published works that employ a qualitative approach have different sample sizes; for instance, the work of Podlog and Eklund (2006) investigated 12 competitive athletes, Young, White, & McTeer (1994) selected 16 male athletes as their sample size, and Chiang (2005) chose 11 participants, as outlined in the study of Pitney and Parker (2009). In addition, Lichtman (2010) mentions that there is no hard and fast rule to select sample size for qualitative research, rather it is a matter of judgement as sometimes 10 participants are adequate to answer the research questions of a particular study.

Therefore, 12 participants for this study are considered as an appropriate sample size to provide relevant information for the research questions and objectives.

### 3.5.3 Data collection

Data collection is another crucial part in answering the research question so the researcher should consider applying an appropriate method(s). This is so as to gain the most relevant data from participants as much as possible because the availability of empirical research data is limited (Eriksson & Kovalainen, 2008). The data that will be collected is survey data which is derived from interviews using probability samplings that are considered representative of the larger population, as asserted by Thyer (2010). Ulin et al. (2005) state that this interviewing approach forms part of the area of qualitative research method, allowing researchers to gain an in-depth
understanding and information from research participants towards the issues being studied. Furthermore, qualitative data consists of holistic and rich information derived from the participants’ own words when expressing their feelings and emotions. It also allows researchers to understand peoples’ motivation. More sensitive information can be gained by the researchers using their interpersonal skills to create trust (Covington, 2008).

3.5.3.1 Recruitment of research participants

The researchers have contacted around 9 multinational organisations, requesting the participation of their managers and HR professionals. The recruitment steps were as follows:

- The researcher sent the project information sheet and research questions to personnel departments within potential organisations so that they can be distributed to eligible participants. This was in order to allow participants to have the chance to read and understand the purpose of the study. In the information sheet, it was indicated that participation was voluntary and did not affect any person or organisation and that there was no penalty on those who did not participate.
- If the participants agreed to participate in the project, they were asked to sign the consent form before the interview started in order to make sure that they understand the focus of the project and that their participation is voluntary. Those consent forms were then collected by the researcher.
- After the interview, each participant were given the transcripts and informed again that they had the right to check for accuracy and/or if they wanted to withdraw from the project at any time in the following two weeks.
- All participants were free from any coercion and not given any incentive, gift or inducement by the researcher.

The interview for data collection was conducted for three months from late January to March 2015. However, some organisations were not available due to New Year. Many managers were away on holiday up to mid-January 2015 and after returning to work they needed some time to return to work from the previous year. So the researcher tried to approach other organisations that were available.
In addition, the interview with each participant was recorded, noted and transcribed by the researcher. Audio recording and note taking were used to help the researcher save all the information.

### 3.5.3.2 The Pilot Study

The pilot study aims to pre-test the approach that the researchers intend to use in order to identify potential problems and evaluate the feasibility of the research approach and whether it would affect the validity and quality of the results (Blessing & Chakrabarti, 2009). For this study, the researchers conducted a pilot study with three managers to evaluate the questions before the official interviews were conducted. The researchers invited these three managers to answer the questions without giving the questions in advance and then asked them to provide constructive feedback in order to find out if there was anything unclear or any weaknesses within the questions.

After the pilot study was executed feedback obtained from those managers, the researchers had to change and adjust both the questions and the way they were asked so as to make them clearer and avoid any misunderstanding that would lead to any bias and/or ambiguous results. Mostly, the changes were about the terms used in the questions. Some English words cannot be directly translated into Laos. This could lead to confusion so some changes were needed. An example is the term “workplace diversity”; there is no direct translation in Lao, so the researchers had to use both Lao and English terms so that they could expand and explain their idea further. Another example was that if the researcher directly asked “if you understand workplace diversity, what do you do about it in your recruitment?” The researchers could not get the data needed as the question was not clear to the participants; they only answered in general recruitment terms, so the question had to be changed to “how do you recruit in order to promote diversity in the workplace?”

### 3.6 Data analysis

Data analysis is the transformation of raw data into the results of the research. According to Braun and Clarke (2013), there are many methods of qualitative data analysis such as
interpretative phenomenological analysis, thematic analysis, and grounded theory. These methods are important for producing and developing the research result; however, it is necessary that the researchers identify and choose the suitable methods to apply to a particular research project. In regard to this research, the researcher will use thematic analysis because it is the concept of categorizing themes and patterns of the textual data or qualitative data in order to develop its findings (Willig, 2013).

In addition, coding is another important strategy for thematic analysis, especially in the focus of data analysis (Braun & Clarke, 2013). Coding is a suitable tool for analysing the data collected from interviews and the target groups. The main aspect of the coding process is to identify the characteristics of the data which are the themes, concepts and beliefs (Braun & Clarke, 2013). According to Tracy (2013), the main activities of coding include two types: open coding (primary cycle coding) and secondary coding. Open coding is the first stage, in which researchers interpret the data through deductive codes. This stage is carried out at least twice. Secondary coding is the stage that goes beyond the initial codes and on to analytic and interpretive codes. This means that secondary coding enables researchers to determine the codes gained from the open coding process and then classify and combine those codes into the interpretative concept (Tracy, 2013). Therefore, the coding process is crucial and suitable for this research as it helps researchers to expand the significant findings of the studied topic.

Beside the coding process, memoing is utilised as a technique involving the data analysis process. Memoing is a method of writing memos of the meaning learned from the data. Memos are the reflective notes that include all the emerging patterns, themes and concepts of the data, data that is still needed and anything else related to the research area (Johnson & Christensen, 2014). Furthermore, memoing is considered as a significant tool for recoding the insight of the data reflection. As the qualitative data analysis is the process of interpretation, it is vital for the researchers to capture their perceptions as well as by noting all of the in-depth understandings related to the data analysis (Johnson & Christensen, 2014).

The steps that the researcher took were as follows:
First step - all the interviews with each participant were recorded and the researcher transcribed and translated into English all data collected from the semi-structured interview. The transcriptions were then reviewed for accuracy by the participants then it was sent back to the researcher within two weeks.

Second step - the researcher read and summarised the data carefully and grouped the data thematically according to the main questions and objectives of the research. To create themes, the researcher can identify all the data collected from interviews into patterns of interesting points regarding the research topic (King & Horrocks, 2010). Following the thematic grouping, coding was another related technique that was used. The researcher devised codes based on the data-based themes by grouping all outstanding information, and tried to categorise similar information into each code in a systematic way. Highlighting was used systematically along with the coding process. The purpose of this is to identify key segments of the information so that it is easier for the researcher to carry out the interpretation for this research project. As Saldana (2011) states, coding is an important process that helps the researcher to identify, classify, pattern and reorganise data for further analysis. Following this process, all relevant codes were put together and then attached to each relevant theme in order to produce the answer for each theme or to answer each research question.

In relation to the coding, the researcher allocated the codes HM1, HM2, HM3, HM4, HM5 and HM6 to represent the HR manager participants; while MG1, MG2, MG3, MG4, MG5 and MG6 were the codes for participants who are managers in the organisations. These codes were categorised into two groups: ‘PG1’ represented the group of HR managers, and ‘PG2’ represented the group of other managers. By doing this, the researcher could identify more easily their perspectives.

Third step - all codes and themes were checked carefully for their accuracy and appropriateness as well as whether or not they were logical enough for the research. Every inappropriate grouping, code and/or pattern was reconsidered, adjusted and corrected. The codes and themes that did not have enough support information were cut out, and those that did not match to the existing information were replaced by new themes and codes. The purpose here is to find out the
most accurate information for the research result.

Final step - the researcher started to write a report based on the analytical information gathered from the above steps. In addition, the researcher used all actual findings to analyse, compare and advance an argument. The researcher used all those findings to test the hypotheses related to the existing literature for further explanation, particularly where there were any different points evident. The researcher then proposed a final conclusion to develop further theory and make a final report of this research project.

3.7 Validity of results

According to Gravetter and Forzano (2012), a dictionary-derived definition of validity is the quality of being true; however, in terms of doing research, validity concerns the truth and accuracy of the research and its conclusions. It is also considered as the standard criteria that researchers use to judge their research quality (Gravetter & Forzano, 2012). In addition, validity of the results concerns whether or not the findings are true and accurate compared to the actual events that happened and what participants really meant when offering their perceptions of an issue or a situation (Pitney & Parker, 2009). Furthermore, other researchers - such as Davies and Dodd (2002), Lincoln and Guba (1985), Mishler (2000), Seale (1999) and Stenbacka (2001) - mention validity in many different ways; for instance, references are made to quality, rigor and trustworthiness (as cited in Golafshani, 2003).

There are many scholars who have developed a number of categories of validity in qualitative research; however, according to Joseph A. Maxwell (1992), there are five categories that are most commonly conceptualised:

- **Descriptive validity**, which refers to the accuracy of the gathered information; it must be true to that which participants have provided.

- **Interpretive validity** is concerned with how well the researcher can interpret participants’ given meanings of an event or issue; the interpretations must not come from the researcher’s own perspective.

- **Theoretical validity** refers to the fit of theoretical constructs and means that researchers must
tell the story of the phenomena by fitting patterns, concepts, categories, properties and dimensions together.

- **Generalizability** is concerned with the ability to apply theory from the study universally as some findings or theory may only apply to a similar group.

- **Evaluative validity** refers to the assessment of evaluations created by the researchers; the latter should draw those evaluations based on the actual situation from data gathered from participants else they fail to reach this validity category (as cited in Thomson, 2011).

These five categories, then, are used to judge the validity of qualitative research. In this study, the researcher employed the semi-structured interview as a tool for data collection; thus, these categories have been taken into consideration when conducting the research.

To assure the validity of this research study, the researcher carried out each part of the research process rigorously. The interview questions were checked for suitability through the pilot study. By doing this, the researcher has the chance to develop interview questions and this helps to avoid problems that would affect the validity of the research (Blessing & Chakrabarti, 2009). Therefore, after gaining some feedback, the researcher adjusted, adapted, changed and developed the questions in order to make them clear for participants. In addition, all participants provided relevant data for the research project; they are HR managers and managers working for multinational organisations in Laos, diverse employees were included and the IHRM was applied.

Even though all participants have HR experiences, the researcher also sent them the information sheet, interview questions and other relevant documents about the project details. This was in order to give them opportunities to read and understand the project’s objectives. By doing this, the participants can have some time to prepare for the interviews appropriately and/or consider to whether or not to participate in the project. Moreover, for the interviews, the researcher took appropriate steps, such as contacting participants and being clear about the time, place and date (arranged at their convenience) in order to avoid any misunderstandings. The interviews mostly took place in their office meeting rooms. These were very convenient for face-to-face interviews with audio recorders, so the researcher could ensure that all conversations between participant
and researcher were good quality. A researcher cannot remember everything by her/himself; thus, audio-recording assists in ensuring that all conversations are safe, clear and useful for subsequent transcribing.

Finally, the interview was carried out carefully and simple words were used to explain and ask questions. This makes both the researcher and participant feel comfortable and also free to ask for clarification if there are any unclear points. Furthermore, to avoid misinterpretation the researcher sent the transcript to each participant to check for accuracy in terms of their intended meaning or if they had any other comments. At that point, findings can be outlined and applied to compare and contrast the theory with reality.

3.8 Ethical considerations

Ethical issues are core aspects that every researcher needs to take into account in order to avoid any harmful and deceptive situations as well as to perceive the importance of, protect the privacy and confidentiality of the participants. Tracy (2013) asserts that qualitative research is essentially concerned with ethics as its aim is to obtain more comprehensive data and involves the acquiring the consent of participants and ensuring their anonymity. This means that it is essential for all research to include ethics as a main criterion when designing and carrying out research projects. Thus, this research took ethical issues into account by following the guidelines of the Unitec Research Ethics Committee (UREC, 2009); the project could not start until the approval from the UREC was obtained (the approval number is 2014-1092 and was obtained on 7 November 2014, valid for one year – see Appendix 5.

The research was carried out in Laos and did not focus on any specific minority ethnic group so as to avoid any bias or prejudice pertaining to specific issues. In addition, ethical considerations were taken into account especially in terms of respecting peoples, confidentiality, and distributive justice. The researcher conducted the research professionally throughout, in terms of protecting the rights and privacy of participants. Moreover, the organisations’ and participants’ names are not depicted in the writing or presentation of the thesis. This is to avoid revealing any sensitive information related to the organisations which would be detrimental to their
In addition, so as to respect the participants’ rights and decisions, the official request was formed and sent to those expected participants and organisations in order to get their consent, and agreement/disagreement to participate in the interviews. The official request contained relevant information about the process and objectives of the research in order to make it clear to the participants and to clarify the information expected from the interviews needed to complete the research. Furthermore, the data collected will be utilised only for the purpose of the research and all documents and records of the interviews will be kept in a secure place and will not be distributed to any other persons or groups.

3.9 Summary

In chapter 3, all relevant research methodology and methods, both research methodology and paradigm, were discussed. It was explained that this study employed the interpretative paradigm and qualitative approach as a tool for data collection.

The researcher used only one method - the semi-structured interview. This method helps the researcher to obtain deeper information from the participants. The total number of participants interviewed for this project was 12; this is considered as an appropriate number for doing the research.

The sample selection, recruitment of participants, data analysis, validity and ethical issues were explained. The researcher compared these points to the real situation of this study in order to ensure the trustworthiness, validity and reliability of all data, discussions and conclusions of the project.

In chapter 4, the discussion of the results is undertaken.
Chapter 4: Findings

4.1 Introduction

In chapter 3, the qualitative research methodology was discussed. This included the methods used in the selection process for the research sample, participant recruitment, the data collection method, and data analysis. In addition, the validity of the result and ethical issues surrounding the research study were explained.

In this chapter, the researcher provides the findings from the data collected through semi-structured interviews with 12 participants from multinational organisations in Laos. The focus of these findings is to explore the perceptions of managing diversity in the workplace from those who work as managers or HR managers. However, before the perceptions of those participants, it is helpful to provide some context in terms of their main responsibilities, their attitudes towards the competencies managers should possess, and their thoughts about HR duties. In addition, the real challenges in multinational organisations in Laos are identified, along with some recommendations from participants.

4.2 The interview results and findings

According to the agreement in the participants’ consent form, the identity of both the organisations and the individuals will be kept anonymous and confidential to meet ethical considerations. The researcher, therefore, coded all 12 participants as follows: HM1, HM2, HM3, HM4, HM5 and HM6; and MG1, MG2, MG3, MG4, MG5 and MG6. HM is the abbreviation for human resource manager; while MG is the abbreviation for manager. These participants were then divided into two groups. First is the group of those who work in the position of HR manager in Lao multinational organisations; PG1 is the code for this group. The second group is for those who work as a manager in the multinational organisation in Laos; PG2 is the code for this group.

The research questions were designed to move from the managers’ responsibilities to their
perceptions of workplace diversity. Even though the research questions were fixed in their order, the researcher elaborated if there were any unclear points and also provided more information about workplace diversity to those who had an unclear understanding of diversity. This was in order to clarify, and add to the information given to participants and to ensure that they understood the questions clearly so that they could provide more relevant information to the research aim and objectives. Finally, the themes and also the codes were used to clearly identify and order the findings of the research study.

4.2.1 Research question 1

What are your main roles as a manager or HR manager in your organisation?

This question was chosen as the first question because the roles of each participant are important for the researcher to be able to identify exactly what they do in the organisation and whether or not they are involved in people management. This question gives relevant answers to the roles and responsibilities of participants, which are significant to the study. In addition, it gives the participant a chance to introduce him/herself to the researcher.

After asking this question, it was found that 10 participants operate in multiple roles in their organisations. Only two participants work in a single position, that of HR manager. However, all participants participate in the role of human resource management in the organisation. That role is separated into two themes: administration and general management; and human resource management.

Theme 1: Administration and general management

The administration and general management role was mentioned as one of the main responsibilities of 10 participants. This role was mentioned in general terms: they need to implement this role in order to ensure all administration work is done properly and everything is well-planned. That work includes administration and management, financial management, liaison and coordination, and implementation (PG1-HM1, HM4, HM5, HM6; PG2). These can be indicated in the following interview extracts:
One of my main responsibilities is to ensure that all administration work of the organisation is well-planned and developed as appropriate to the situation in the organisation (PG1-HM1, HM4; PG2-MG1, MG2)

A responsibility I have in this organisation is to look over all administration work of the organisation and ensure that the strategic and programme management of the office are taking place appropriately (PG2-MG4)

I have to be responsible for financial management as well as I have to follow up the transaction and accuracy of organisation’s financial status and movement (PG1-HM4, HM5; PG2-MG6)

Other responsibilities that I need to handle are to coordinate with other partners which includes the liaison with government sectors and also project implementation (PG1-HM6; PG2-MG2, MG3, MG5, MG6)

**Theme 2: Human Resource Management**

All participants said that they participate in the role of managing people in the organisation. However, nine of them are responsible for all HRM functions as demonstrated below:

- Seven of these nine participants are responsible for all HRM functions for both local and international staff:

  **My HR responsibility is to ensure that all functions of HRM operate effectively, which includes recruiting, hiring, training, paying until retirement for both local and international staff. In addition, I also have to participate in improving all HR policies and regulations so as to make sure that the HR strategic work and its implementation are in place for effective people management in the organisation (PG1-HM2, HM3, MH6; PG2-MG3, MG5, MG6)**

  **I am involved in all processes of HRM. Even though, the headquarters office is the one that**
recruits international staff, I also participate in making decisions whether the person suits the position we have (PG2-MG4)

- Two of these nine participants are responsible for all functions of HRM, but just for local staff in the organisation.

Human resource work that I am responsible for are to recruit, hire, train local employees; and also other work until retirement and/or end of contract for all local staff. For international staff, they depend on the headquarters abroad (PG1-HM1, HM4).

Three of the above-mentioned participants are responsible for only some parts of HRM. This is shown in the excerpts below:

In my HR work, I assist in helping to ensure that we recruit the right people to fill our vacancies but I am not dealing with the policies for all staff (PG1-HM5)

To deal with staff, I need to recruit and follow up their work and evaluate their implementation both in the office and working sites (PG2-MG2).

I have to participate in the recruitment and selection process only if that position is related to my main responsibility (PG2-MG1).

According to the findings above, it can be observed that all the managers are involved in HR duties, irrespective of whether or not they are HR managers. Therefore, the following question was asked in order to explore the perception of those participants towards their HR roles.

What is your perception of HR roles compared to other duties that you are handling?

All participants see this role as central to, or even at the heart of the organisation. HR roles are about ensuring the organisation gets the right people, encouraging the staff to stay longer (people development), maximising benefits from them, and ensuring that all proper strategic policies and
plan are set in place. This is evidenced in the extracts below:

*Human resources are the core assets of the organisation. Even though we use more electronic devices, people are still the ones who operate the system (PG1, PG2).*

*HR work is very important and no organisation can ignore it. It is about ensuring the right person to fit in the organisation. Choosing the wrong person can affect the quality of work (PG1-HM1, HM4; PG2-MG4)*

*HR work is important because it is to manage people and encourage them to work to their ability and potentials to progress our work or to get the work done in time; and also to motivate employees to work and upgrade their skills related to our work (PG1-HM5; PG2-MG2).*

*This task is significant as it is to ensure that we have a good system and it is the task to discuss the strategies for creating appropriate HR policies (PG1-HM6).*

In relation to this, the researcher asked a follow-up question about how to handle those diverse roles effectively.

*Skills/competencies both managers and HR managers need to possess*

After observing the data, it was clear that a number of skills were mentioned; thus, the responses were divided into three themes: management skills, technical skills and understanding culture and the government systems. These will be explained as follows:

**Theme 1: Management skills**

All participants agreed that management skills were the most important for their work in Laos to be effective. These include people skills, communication, problem-solving skills, work prioritisation, building relationships, adaptability, and leadership styles.
In my view, management skills are something that most managers and leaders cannot ignore, especially people skills, arranging work priorities, communication, and problem solving skills. In addition, the adaptability to the environment in Laos is also important; you will need to build your relationship with both internal and external sectors (PG1; PG2).

Building working relationships is important as I can learn and adapt myself to different people that I will have to manage. In addition, to manage people is not something like ‘one size fits all’; we need to have help from many other people in the organisation. In addition, the standard of education and living here is different so it is hard for me to understand our local staff. Thus, a relationship for me is important (PG1-HM3).

In Laos, what managers should do is to adapt themselves to the situation in offices. As local and international staff have different attitudes and working styles; international staff are more straightforward but local staff are not, so the important thing is to learn how to say NO to what you cannot do, for example (PG1-HM6).

Theme 2: Technical skills

Technical skills are important for every manager in order to accomplish their main and specific tasks. One participant identified technical skills as significant skills that help them to work effectively.

For me, I think that technical skills is ranked as third important after management skills and decision making ability (PG2-MG3)

I have to handle two main roles in the organisation, both management role and technical role. Management and technical skills are important to me. However, technical skill is still an important quality that I must have for performing my technical roles effectively (PG2-MG4).

Theme 3: Understanding culture and the government systems

Two participants see cultural issues such as language, both English and Lao, as an important
Concern for managers. In addition, government systems are significant too, especially for expatriates.

*Besides human relationships, I think culture is important. Lao language is a thing that will help me to strengthen my communication with local staff and local people as well (PG2-MG6)*

*English is another significant thing that helps us to work easier as we have to work and deal with foreign volunteers; in addition, understanding government systems will help to manage work at the office easier as staff will work and plan their work easier when they need to deal with government sectors (PG2-MG5)*

*One important thing for foreign managers is that they should have the ability to compare and link Lao government policies and their own policies in order to find the best fit policies when working in Laos (PG2-MG1).*

### 4.2.2 Research question 2

**How familiar are you with the term ‘workplace diversity’?**

This question was raised as the second question because the researcher wanted to know whether or not the participants understand the term ‘workplace diversity’. In addition, its purpose was to survey how and in what way they understand this term. To be effective in managing diverse employees, it is necessary to understand workplace diversity. This question provides more information about the perception and level of understanding workplace diversity from HR and non-HR managers.

From responses to this question, it can be identified that nine out of 12 participants can explain their perceptions of the term ‘workplace diversity’ along the lines of having diverse employees in an organisation - for example, diverse nationalities, genders, cultures, working styles, tasks, religious beliefs, and communication.
From my perspective, I think that diversity in the workplace refers to international and local staff whose nationalities, genders, beliefs, languages, cultures, working styles, tribes and so forth are different but working in the same organisation (PG1-HM2, HM3, HM6; PG2-MG3).

We have to work with many sectors at different levels in our project area so that we think this is diversity in our workplace. Among these groups of people, we will have to communicate differently at each level. This is because some discussion we have at provincial or district levels would not be clear to people in the village level and some working criteria we discuss and use would not match to the situation in village area (PG1-HM1).

Diversity is about different nationalities. In our organisation, diversity is to deal with gender balance and ethnic minority groups. We help to promote gender balance and minority people who have limited opportunities in our society (PG1-HM4; PG2-MG1, MG4).

For me, diversity is about having and dealing with diverse international volunteers who have different cultures (PG2-MG5).

Three other participants were not sure or did not understand exactly what workplace diversity is so asked the interviewer to elaborate.

I am not sure and/or do not know about this term exactly; could you please elaborate more for me? (PG1-HM5; PG2-MG2)

To be honest, I am not so familiar with this term (PG2-MG6).

Then the researcher explained more about diversity in the workplace to those three participants. The next question was raised for elicit additional perceptions of diversity.

What are your perceptions of having diverse employees in your organisation?

This question was intended to survey how those participants see and value diversity and/or
diverse employees in their organisations. From the interviews, it can be seen that all 12 participants view having a diverse workforce to be a benefit for organisations. Those benefits are themed as: sharing ideas and lessons learnt; language advantage; and fulfilment of organisational objectives (PG1; PG2).

**Theme 1: Sharing ideas and lessons learnt**

There were eight participants who agree that diverse employees bring more ideas to share with others in the organisation. This provides opportunities to have more options when discussing or considering any issue or task. In addition, diverse people bring different knowledge, experiences, potentials and talents, all of which are important for organisations and which are not found easily in Laos.

*The good points that I can see in my organisation is that diverse people bring more ideas to share with the whole organisation then we can have more choices to consider when we have a discussion about work or any issue. This is in order check whether or not it is appropriate for our working areas (PG1-HM1, HM2, HM5; PG2-MG3).*

Different people will have different knowledge, abilities, talents and experiences, which are the things that can help the organisation to achieve goals; and we can gain these different things from diverse people. In addition, in our country, we still lack specialists in a specific field that we want so we need people who are experts and skilful in that field of work to come and teach and share with our local staff (PG1-HM3, HM6; PG2-MG2, MG3, MG5)

**Theme 2: Language advantage**

Three participants said that having diverse people, including local people, makes coordinating project target areas easier as they have language as an advantage.

*We hire Lao people as they have language, the same culture and similar working styles that can help us to work easier in our target areas as they can build trust in that community, especially in ethnic minority groups (PG1-HM4; PG2-MG4, MG6).*
Theme 3: Fulfilment of organisational objectives

One person mentioned that having diverse employees is their main aim for their project as they promote diversity in the Laos.

*By having diverse people, we can implement our policies on promoting diversity successfully, as we promote and encourage ethnic minority people who have less opportunity to work and study (PG2-MG1)*

However, three of the 12 participants believe that there are also some weak points to having such diverse employees. Those weaknesses are: hard to create teamwork; and takes time to explain working systems in Laos which brings about misunderstanding.

*For me, it is hard to build good teamwork and if that team needs to combine diverse people who have different attitudes, it would be more difficult (PG1-HM1).*

*Sometimes, people do not understand why things are not done on time. Actually some systems here can be changing so it causes misunderstanding among team, our team and sometimes with other partners regarding the nature of work and/or working visa and permit, for example. This is because when time passes then things change. This can cause misunderstanding and it takes time to explain the system (PG1-HM5; PG2-MG5)*

4.2.3 Research question 3

What perceptions do you have of the current activities of managing a diverse workforce?

This question was used in order to survey the current situation of diversity promotion activities in the workplace. Its aim was to assess, too, whether their current practices are sufficient, or if more activities are needed for effective people management in multinational organisations in Laos. From this question, it was found that there were many activities regarding diversity
management and only a few organisations do not have such activities. Before discovering their perceptions of this issue, the researcher needed to know what activities they are doing to promote diversity. Therefore, the researcher asked some sub-research questions as detailed below:

*Are you involved in HR functions in your organisation?*

This question allowed the researcher to know whether the participants are involved in the function related to the activities of managing a diverse workforce.

From the interviews, all 12 participants are involved in HR functions; however, three participants said that they carried out the function only in relation to staff in lower positions and one participant stated s/he is involved only when that position is related to the work in his/her department.

*Normally, I am involved in all HR functions in my organisation and also participate in discussing the criteria needed for new and existing staff in Laos (PG1-HM1, HM2, HM3, HM6; PG2-MG2, MG3, MG5, MG6)*

*I am mostly involved in preparing criteria needed for new positions, recruiting, interviewing and selecting candidates whose work in this organisation is related to my department (PG2-MG1)*

*I am involved in all functions of HR, from recruitment until retirement or end of contract, but just for those lower positions and local staff (PG1-HM4, HM5; PG2-MG4)*

**To promote diversity, what do you do in your recruitment?**

Six of 12 participants said that they do not do anything specific around recruitment in terms of promoting diversity (PG1-HM2, HM5, HM6; PG2-MG2, MG5, MG6). While the other six people said that they do some diversity-related recruitment - this is divided into two themes as follows:
Theme 1: Add more information in the recruitment content

Four participants said that adding some specific criteria into their recruitment content is a way to attract more diverse applicants when recruiting new staff. Those sentences could be: “women and disabilities are encouraged to apply” and “ethnic minority applicants are encourage to apply” (PG1-HM1, HM4; PG2-MG1, MG4)

Theme 2: The placement of advertisements

Two participants stated that the placement of advertisements, for both local and international applicants, is another aspect to consider if they want to have diverse people in the organisation.

We normally advertise on both local and international stages, it is a way to open it up for everyone who is applicable for the position we require (PG1-HM3; PG2-MG3)

However, if skilled persons are required and there are few applicable candidates in Laos, the advertisement should mention directly that this position is for international candidates only (PG2-MG1).

Are there any other activities that your organisation provides to promote workplace diversity?

This question was asked in order to identify: the activities that promote workplace diversity, ones which could encourage people to work together effectively; and to discover if workplace diversity helped to create a good working environment, that is considered as a significant aspect for effective people management.

From asking this question, it can be observed that most of the surveyed organisations undertook some activities with the aim of encouraging people to accept and adapt to each other as well as to value diversity. These activities are split into 4 themes: staff meetings, pre-departure orientation, code of conduct, and brochure and printings.
Theme 1: Staff meetings

A staff meeting is a way to allow all staff, as a whole organisation or department, to meet and share ideas, information, discuss causes of and solutions to issues and work together. This was agreed by both groups, PG1 and PG2. In addition, a staff meeting can be in the form of a staff retreat, a weekly meeting, an exchange meeting, a team building meeting or other outdoor activities which help to strengthen staff relationships.

We have a staff retreat once a year in order to give opportunities for all staff to relax, get to know each other, exchange their work experiences, working in teams, as there are many team activities included; both outdoor activities and work objectives are done in this staff retreat (PG1-HM1, HM3, HM4, PG2-MG2, MG).

We organise weekly staff meetings to share and discuss work together. Those who used to work with expatriates can share their experiences with those who have not so that they learn more about expatriates (PG1-HM2, PG2-MG).

Theme 2: Pre-departure orientation

One participant agreed that pre-departure orientation for expatriates before coming to work in Laos can help them better understand diverse people and diverse styles of local people; it is a chance for them to learn and acknowledge cultures, the political and economic system, and so on before deciding to work in Laos.

We have some practices for this issue; all expatriates who come to work at our office will have to attend pre-departure orientation in their country first in order to understand local people better. The orientation includes Lao culture, economics, politics and other areas as well as how to interact with local people (PG1-HM2).
Theme 3: Code of conduct

Two participants stated that the code of conduct is one way that they encourage people to value the differences of others within the organisation. This can be done by providing a document to everyone explaining how to acknowledge and respect the culture and tradition of the host country, and by producing brochures and/or other publications to promote diversity. The content of the code of conduct covers taking pride in diverse cultures, ethnic minority people, nationalities and so forth.

*Our organisation creates a code of conduct, which state that no matter who you are and where you are from, you will need to respect the culture and traditions of the country you work in* (PG1-HM2).

*The core competency we require from the staff is team work and inclusiveness; we have codes of conduct that recognise and value everyone’s culture. For example, we provide different holidays to staff in different areas as they have different significant festivals based on their beliefs and religions; however, everyone gets 15 days off in total* (PG2-MG4)

Theme 4: Printing and Training

One participant said that all of the activities they provide promote diversity, such as gender equality training, brochure production, publications, recruiting people from minorities, gender and ethnicity equality (GEE) and so forth.

*We have many activities to promote diversity as a whole country; some of those are gender training, producing publications and brochures, and encouraging every department to recruit ethnic minority people who have at least basic competencies that are required for the position. We can say that now our office consists of ethnic minority staff and equal number of men and women too* (PG2-MG1)

All of the above observations are to answer research question 4, and overall, every participant is
saying that they have sufficient activities to promote diversity in their offices. However, one participant whose organisation organises no event to bring people together said that their office should have at least one staff retreat for the whole organisation in order to get to know and see each other more (PG1-HM5). In addition, participant PG2-MG1 stated that, even though they have plenty of activities to promote diversity, support from government is required, especially human resources, to implement these activities.

4.2.4 Research question 4

What are your perceptions on designing the policies of managing diverse employees?

This question is to survey what ideas each participant has on their diversity management policies. All participants have policies and rules to respect each other and promote diversity in the workplace; however, all those policies and rules are not clearly stated on their HR policies. All those statements are mostly mentioned in other documents, contracts and code of conducts. As Laos does not have any serious problem in regard to discrimination, there are hardly any specific policies to put into their HR policies. To get more detail, first, the researcher asked if they have been involved in making HR policies. The result is that 10 participants have been involved in this process; and only two out of 12 participants said that they have not been involved.

*I have been involved in making policies for staff, but I will have to respond to each point for the appropriateness to the Lao context, as it mostly applies to all local staff or those who are hired on Lao contracts* (PG1-HM1, HM2, HM4; PG2-MG2, MG3, MG5, MG6).

*If we ever need to create or change or adjust our staff policies, we will have a discussion session with all relevant managers within our office* (PG1-HM3, HM6; PG2-MG3, MG4).

The other two said that “*No, I have not been involved, everything is set by our head office and we only implement it; in addition, everything is already organised and set based on Lao law and*
regulation” (PG1-HM5; PG2-MG1).

The next question was: **Is diversity management or policy practised in their HR policies?**

From this question, eight out of 12 participants reported that there was no specific policy in terms of this issue, but it is mentioned in other documents such as a diversity acknowledgement agreement, a code of conduct agreement, or the working contract. These documents aim to encourage people to have pride in diverse cultures, and to focus on work performance regardless of nationality, gender, age and other individual characteristics.

*We do not have any specific things about diversity in our HR policies, but we have put some points in our general document as a mission statement or code of conduct that we will recruit and hire people irrespective of their nationalities, gender, age, ethnicity, and so forth; and focus on work performance first and foremost* (PG1-HM2, HM4, HM5, HM6; PG2-MG2, MG3, MG5, MG6).

*I don’t think that we should put this in our HR policies. In the Lao context, there is not any severe problem in terms of discrimination or other. It is just not like in other countries where some people discriminate on colour or race or others which is against the law* (PG1-HM6)

Another 4 said that everything about diversity in the organisation was put in their HR policies (PG1-HM1, HM3; PG2-MG1, MG4).

**What do you think about your diversity policy now?**

All participants stated that their diversity policy is currently appropriate. Diversity management mostly focuses on the recruitment of diverse people, gender balance, respecting different cultures and promoting ethnic minority as the priority in order to bring more diverse people into the organisation. However, two participants still mentioned that it is still necessary to have support from government, do more research and learn lessons from other organisations in order to make it more suitable for the current environment.
This policy is good enough for now as we always put it in our policies and encourage people to respect and value the culture of one another. In Laos, diversity is something to talk about helping the poor and those who lack opportunities in society, especially, ethnic minorities and women (PG1-HM3; PG2-GM4)

Our diversity management policy is sufficient now; we have 16 activities to promote and encourage diversity. However, we still lack human resources to implement our activities. Therefore, we think we need to have government sectors to participate (PG2-MG1).

We have diversity management policy mentioned in our HR policies and it works now, but still we need to do more surveys by next week in order to see and compare with others and then we will to adjust as appropriate (PG1-HM1).

4.2.5 Research question 5

What could be the barriers that would impact the practice of diversity management?

After finding out what each participant does and thinks and about diversity in their organisations, this question was used to find out what problems and barriers they face in managing their diverse employees. Even though, there is hardly any serious problem in Laos, there are also some difficulties in managing diverse employees. Those barriers/difficulties are the issues that HR and non-HR managers face in their organisation.

However, before this question was raised, every participant was asked: did they perceive the task of managing a diverse workforce as difficult in HRM?

Three participants said that to manage diverse employees in their organisation in Laos was not really difficult because there were only small challenges (PG1-HM4, HM5; PG2-MG2). Eight out of 12 participants perceived this task as difficult because they have to deal with diverse behaviours and attitudes of employees; this could cause much misunderstanding among them
What could be the barriers or difficulties in managing diversity in the workplace?

This question is focused on research question 5. From this question, it can be observed that there are many things that are considered to be barriers and difficulties for managing diversity in Laos. These findings are grouped into 4 themes; language, different behaviour, different working styles and systems, and cultures.

Theme 1: Language

Language is another important issue that people are concerned about when working with diverse people from different nations. On this issue, two participants said that language is one of the difficulties when working with local staff. This is because it is an important tool for better communication of their work.

The barrier is language, especially when working with different ethnic groups. We need to repeat our explanation many times to make them understand what we want them to do. They sometimes suffer with Lao language so it is impossible with English (PG1-HM1)

English is a main issue for our volunteers when working in the field as most of our local staff and partners cannot speak English very well, which always causes confusion and misunderstanding with our volunteers so that it affects our work (PG2-MG5)

Theme 2: Different behaviour

All participants agreed that the attitudes and behaviours of diverse people were the issues that cause problems of misunderstanding among teams.

Our local staff and ethnic people always misunderstand international staff as they have different attitudes, behaviours and backgrounds; conversely, our international staff also misunderstand
our local staff. This can be because of different characteristics of the staffs, which then can affect our working plan, so we have to spend more time clarify the reasons of both parties (PG1; PG2)

It is not easy to build a good relationship among people who have different attitudes towards each other. Relationships are very important in managing people; thus, if you fail to build a relationship then you fail to balance your work as well (PG1-HM3)

Theme 3: Different working styles and systems

Seven out of 12 participants shared their opinions about different working styles between local and international staff and different working systems between the host country and the ‘home’ country. They believed these to be barriers to managing diverse employees in multinational organisations in Laos.

Local staff and expatriates have different working styles. Some local staff work very slowly; while expatriates still expect something done in a particular time, which causes some heated discussion, misunderstanding and complaints and some small disputes (PG1-HM3; PG2-MG5, MG6).

I think different document processing by government agencies is another barrier to expatriates understanding the system. For example, applying for a visa document should take 1-3 steps, but in reality, it takes 5-6 steps. This also causes arguments and misunderstanding among staff PG2-MG1, MG3, MG5)

Some staff complain about benefits and salary by comparing to international staff. This happens due to the fact that some local staff don’t like reading handbooks and regulations of the organisation before starting their work here (PG1-HM1, HM3)

Theme 4: Culture

This theme shows that diverse people have diverse beliefs and ways of thinking. Based on the responses, six participants said that culture is a barrier that creates misunderstanding, difficulties and arguments among teams. For instance, members of ethnic minority groups prefer different holidays from staff belonging to the majority culture. Employees perceive the meaning of their
supervisor’s directions variously and different actions among team members can produce opposite responses to those required. All of these issues are considered by five participants to be barriers to managing diverse employees.

*One problem is different cultures, to tell someone to do work means to ask for help; however, another party would think that it is the task that you have to do so you must do it. Most local staff here at my office don’t dare to talk directly to the boss. This causes unclear perceptions among staff and boss too (PG2-MG3, MG6)*

*Lao culture and foreign cultures are different, especially, how people think. For instance, the expatriate is straightforward; while the Lao person hardly talks. Likewise, this could mean that to be straightforward means to be rude for locals or inappropriate action for locals and can bring about disputes among groups (PG1-HM2, HM6).*

In addition to this, there were two participants who stated that adaptation on the part of some ethnic minority people is a problem for them as they have strong beliefs in their culture and tradition.

*One problem comes from ethnic minority people. They have their own culture and they mostly have a strong belief in their culture. It is quite hard to make them adapt themselves to the majority in the organisation (PG1-HM4; PG2-MG4)*

*Our staff include Lao Loum (low land people), ethnic groups and international staff; these people have different belief and thoughts. Thus, it is not easy to establish a single policy and then apply to all. Example, we have to provide different holiday for ethnic people form one province, which is different from those who work in other provinces (PG2-MG4)*

**4.2.6 Research question 6**

*How have managers/HR managers adapted themselves to assist in managing a diverse workforce to improve the effectiveness of the organisations?*
In the context of Laos, it is necessary to know how and which ways managers/HR managers adapted themselves to effectively manage diverse employees in the organisation. Thus, this question was asked to discover the nature of the participants’ adaptation. The adaptation to employees of managers is significant in encouraging employees to work effectively. To work in diverse environments, everyone has to adapt to each other; however, this question gave the answer that as a manager he/she has to adapt themselves to employees more than employees adapt to managers.

All participants adapt themselves in several ways, and these can be grouped into several themes as follows:

**Theme 1: Being approachable and coaching**

In terms of being approachable to staff and coaching employees, all participants said that they have to adapt themselves to the situations that occur. They mentioned that being open to, and with staff, being friendly, and focusing more on coaching rather than commanding, especially with respect to local staff, are the behaviours that help them to manage their employees.

*I have to adapt myself to be more friendly and easy to approach as most of the local people dare not talk to the boss and they always go to someone who is open to and open with them* (PG1-HM1).

*The education system is different from country to country so it would be hard for me to understand people’s ability and capacity well. Therefore, I have to adapt myself to coach and teach them rather than just put things on them* (PG1-HM3).

*Previously, when I worked in a foreign country, I had to work as an international professional. People would be sacked if they worked below standard for some time, but here I have to adapt to focus more on helping, advising and forgiving for some mistakes* (PG2-MG5).
Theme 2: Flexibility to culture

Under this theme, there are different adaptations from participants. These involve being flexible, changing communication styles, learning the Lao language, and understanding cultures and local/international staff.

*Working in this organisation, I have to be flexible. I cannot follow anyone’s regulation 100%. However, this doesn’t mean that I have to do everything just to please staff; also I have to follow their work accomplishments (PG1-HM2, HM4, HM5; PG2-MG1)*

Previously, people hardly talked to each other; they just focused on accomplishing their own work. This can cause some problems for organisational work such as delays and arguments between people. Thus, the thing that I have to do is to communicate with all local and international staff and people in each department and also encourage them to do so too in order to find the best communicative links between them (PG1-HM2; PG2-MG3).

*Many local staff hardly talk to me, so it is hard to find out the story or the work problems or any other difficulties regarding the work. Hence, I have to communicate to the third person and this person will act like a middle man for our communication. Staff talk to her more openly than talking to me. Another issue is the Lao language, we have to know the Lao language as not many local staff can use English properly (PG2-MG).*

*Culture and people are what I have to adapt to, especially local staff. Someone may not be a fast working person; if I approach them like a very fast person it might affect the way they do work (PG1-HM3).*

Theme 3: Patience and confidentiality concerns

Being patient and maintaining the confidentiality of staff are concerns that all managers need to take into account to avoid severe problems or disputes among staff. Four participants stated that they need to pay significant attention to these two concerns. Patience is a quality that most managers and leaders should have; however, from the findings, it can be seen that four
participants asserted that they need to be more patient than usual when managing diverse employees in their organisations.

*Besides knowing the characteristics of local and international staff, I have to be more and more patient with any unexpected result from staff and I have to keep all confidential when solving some disagreements or disputes as to reveal the story would cause more severe disputes* (PG1-HM3, HM6; PG2-MG2, MG3).

All of the above mentioned themes capture the areas that all participants have adapted in order to assist in managing diversity in the workplace. However, there is no ‘one size fits all’ people management approach so the researcher asked one more question as follows:

**What could be the best way to help promote and manage workplace diversity?**

This question aimed to find out what HR and non-HR managers could do to assist in effectively managing diverse staff in the organisations. From the interview data, it can be found that all participants advanced some similar qualities that managers/leaders/supervisors should have in order to manage their diverse employees effectively. These include: 1) understanding of organisational systems and policies; 2) understanding themselves and their staff; 3) conveying clear visions and missions to subordinates; 4) being helpful as the best motivator for staff; 5) having good communication skills; 6) building teamwork and relationships; 7) being flexible in their leadership styles; and 8) attending pre-departure or cultural introduction orientations (PG1; PG2).

In addition to this, to manage diverse people well, the top priority is to bring diverse people into the organisation. Therefore, putting in place such recruitment steps are important, so, too, is putting in place Affirmative Action.

*Personally, I think that the first thing is about using more criteria of Affirmative Action by giving more details for specific candidates required, which is used as the indicator when publishing the vacancy. The recruitment process is about getting applications; if there is no application, we
cannot recruit diverse people. In addition, to recruit means to get the message to more people; thus, the advertisement should be spread across provincial and district levels, not just only in the media in Vientiane Capital (PG2-MG4).

4.3 Summary

This chapter presented the findings gained from semi-structured interviews with 12 participants. The content covers the roles that all managers and HR managers fill, their perceptions of workplace diversity, the barriers they face in this regard, and the adaptations that they need to make to assist in managing diverse employees in multinational organisations in Laos.

The first section focused on the roles of managers and human resource managers. From the findings, it can be established that all participants said that they have responsibilities for a number of roles. HR duties are one of these roles even though not all of the participants are HR managers. Some skills and competencies were identified as being the key to helping them manage their diverse tasks effectively; these are management skills, technical skills, and an understanding of culture and government systems.

The second section reported on participants’ understanding of the term ‘workplace diversity’. Nine participants understand and could give explanations that diversity in the workplace is about having diverse people in the same organisation - people from different nationalities, genders, cultures, working styles, tasks, religions, beliefs, communication styles and so forth. Some advantages of these forms of diversity are identified, such as sharing ideas and lessons learnt, use of different languages, and the fulfilment of organisational objectives. However, two disadvantages emerged: a) it is hard to create teamwork; and b) it takes time to explain the work systems in Laos which cause a lot of misunderstanding among staff.

The aim of the third section was to assess the current activities carried out by managers of a diverse workforce. Two activities mentioned were: adding specific words in job advertisements and advertising internationally and locally, both in order to ensure equal opportunities. Other practices raised by the participants were: organising staff meetings, pre-departure orientation,
codes of conduct, and publishing materials to promote diversity within the organisation as well as to outsiders. There are more diversity promotion activities that could be implemented, but the organisations do not have sufficient people to undertake these. Therefore, the participants identified the need for support from government and other partners in terms of providing more people to work on diverse workforce activities.

In terms of diversity management policies, most of the organisations focus on promoting gender balance and recruiting people from minority groups. They focus, too, on helping the poor and those who lack opportunities - these are the major concerns in Laos. Such policies are sufficient insofar as there have never been any severe discrimination problems in Laos. However, there are some barriers to managing diverse employees. Those barriers are: a) language differences; b) different behaviours; c) different working styles and systems; and d) different cultures, which include the difficulty some ethnic minority groups have with adaptation. This is because they have strong cultural beliefs and hold strongly to traditional ways of doing things.

Finally, all managers and HR managers have adapted themselves to helping to manage diverse employees in three major areas: being friendlier and coaching, adapting to Lao culture and being flexible according to the situation, and being patient and ensuring the confidentiality of individuals. In addition, there are some appropriate skills and qualities such as understanding systems, policies and subordinates, being helpful, having a clear vision and mission, and being skilled in communication, teamwork and relationship building. Furthermore, all criteria for encouraging diverse applicants to apply for job vacancies should be placed in the recruitment material in order to attract more diverse people to work in the organisations.

The above findings will be discussed further in chapter five.
Chapter 5: Discussion of the findings

5.1 Introduction

In the previous chapter, all the results of the data collected through semi-structured interviews with twelve participants, both HR managers and non-HR managers in multinational organisations in Laos, were arranged into themes. This chapter discusses those findings by each of the research questions. All critical discussions are based on the literature review which was presented in chapter 2.

5.2 Discussion of the findings

5.2.1 The main roles of HR and non-HR managers in multinational organisations in Laos

The focus of this project is on the perceptions of HR managers and non-HR managers regarding diversity management in the workplace. However, before starting, the researcher asked about the participants’ roles. This was in order to give the researcher a chance to get to know their roles and responsibilities in their organisations as well as the way they perform their work and adapt to different multinational environments. Understanding the roles and expectations of other people in the organisation is critical for building teams in the organisation, as they vary from one culture to another. Managers must be able to adapt to the situation they are working with, as endorsed by Comfort and Franklin (2014).

From the survey, it can be found that most of the participants are responsible for multiple tasks in their organisations. Therefore, in the question about roles, the researcher focuses on three sections; 1) the roles of HR managers and non-HR managers; 2) skills/competencies needed for managers to handle multiple responsibilities; and 3) the importance of HR roles.

The roles of HR managers and non-HR managers in multinational organisations in Lao PDR

According to the results in chapter 4, it can be found that the main roles and responsibilities of
HR and non-HR managers were grouped into two main responsibilities:

1) Administration and/or general management roles which include financial management, liaison and coordination, and project implementation. The administration and management role is central to each organisation’s operation because it is one of the important roles for managers. It helps managers to ensure the availability of all resources needed for the organisation’s functions as well as enabling effective decision making (Ferreira, Erasmus, & Groenewald, 2009).

2) Human resource management: all participants were responsible for some functions of HRM work. Ten out of the 12 participants pointed out that they are responsible for some HRM work as well as administration and management work. The other two participants stated that they are not involved in administration and management roles. This is because those two participants are HR managers who have worked on only human resource management duties in terms of both the strategic and administrative HR duties.

From these findings, it can be seen that more than half of HR managers do not only play the role of HR management; there are many other main roles that they have to undertake, which could lower the quality of their people management responsibilities. From this point of view, there is also a concern that HR duties could be given a lower priority, which could reduce the productivity of the organisational progress in the future. According to Sharma (2009), HRM is an important task for attracting the best-skilled people and managing them in an appropriate manner so that they make a significant contribution to increasing the competitiveness of an organisation. If people management is unproductive, the organisation will not get the best human talent, which can affect or reduce the quality of work. In addition, some of the participants are responsible for only some parts of HRM; in the findings, there are three participants who are responsible for recruitment only but have not been involved in any policy practices. However, according to Taylor, Doherty, and McGraw (2015), HR work is not solely implemented by HR people; all other line managers need to assist in implementing it. For instance, HR people may organise a good performance assessment procedure, but line managers/supervisors will assist in carrying out the staff appraisal process itself. Therefore, it is possible that HR procedures are well-organised; but, if there is any ineffective implementation of these HR procedures, it could result in poor people management or ineffective HRM practices which could affect the organisation’s
competitiveness.

However, based on the main question of the roles of HR managers and non-HR managers in multinational organisations in Lao PDR, it was found that all 12 participants in this research project do have responsibility for HR work as they have to manage and encourage their employees to work effectively. As Hunter and Renwick (2009) said, managing people in an organisation is not something a single person can manage and control all the time. It is not the role of HR people only all other line managers need to assist in managing and directing their subordinates effectively. In addition, the role of the HR manager is to develop policies and programmes as well as share responsibilities with other managers (Kulakowski & Chronister, 2006).

Managing people is not just a “one-size-fits-all” method. The lack of qualified human resources for HR duties within the organisation is another reason why some managers handle other tasks in addition to their major roles. Hence, managers in each department or unit are the ones who manage their own people. This is because those line managers are the people who know their people very well and they are required to manage and encourage their people in order to support the HR work effectively, especially in the small organisations that do not have sufficient HR employees (Taylor et al., 2015). In addition, Snell and Bohlander (2013) state that besides knowing the organisation’s systems, good managers or leaders need to know their people in terms of their skills, education, experience and so forth. In this way then they can see how to encourage each individual to accomplish their tasks professionally.

**Perception of HR roles compared to other duties**

From the findings of HRM in multinational organisations in Laos, all participants consider human resources to be the core asset of the organisation. Despite the widespread use of IT, people are the ones who actually still operate the system (PG1; PG2). Therefore, in their perception, human resource is the core asset that helps the organisation to run smoothly. This is in line with many scholars finding, such as Hartel and Fujimoto (2015), Nickson (2013), Sharma (2009) and Hunter and Renwick (2009) who all state that human resources are important in
putting their talents, potentials, skills, knowledge and experiences towards the success and competitiveness of organisations. However, those benefits can be achieved through an effective implementation of HRM activities (Taylor et al., 2015).

**Skills/competencies for handling the diverse tasks of managers and HR managers**

In relation to the above discussion about the roles of HR and non-HR managers in multinational organisations in Laos, it can be seen that it is common for managers or HR managers to be responsible for multiple roles in their organisation. In relation to the environment of these multinational organisations in Laos, it is essential to understand the skills or competencies needed managers or leaders in order to handle situations as they arise. The skills required, as derived from the participants’ comments, are grouped into three categories: management skills, technical skills, and understanding culture and government systems as a single category.

All 12 participants see the importance of management skills which include many of the skills needed for the improvement of the organisation. They believe that, if managers have productive interaction and relationships with others, communicate their visions clearly, share information for better problem-solving and decision making and are adaptable and apply appropriate leadership, they will be able to handle effectively many different situations that could occur in their organisations in Laos and ensure the good progress of work. This is aligned with the study of Ferreira et al. (2009), namely that management activities are one of the basic factors for organisational improvement, by ensuring the smooth progress of many functions in the organisation. Management skills are essential for every manager so as to be able to handle organisational operations and functions effectively, especially people skills. “People skills’ is the first point the research participants stated. This includes the way to understand oneself and others, effective communication, relationship-building, proactive interactions and how to trust and respect each other in the organisation. People skills cannot be ignored because it will help to ensure the continuous operation of organisations. Managers have to positively interact and encourage their people to work towards organisational objectives.

It is worth noting that technical skills are an obligation for leaders or managers to pay attention
to. As a manager or leader, it is a prerequisite to possess the skills related to the main tasks. However, from the findings, two participants emphasized that technical skills are the skills that are necessary for their technical roles. From this point of view, it is true that those leaders or managers will need to understand and be knowledgeable about their technical work. This is because if managers cannot supervise or advise subordinates, then this could lead the managers/leaders to be seen as unreliable persons. Furthermore, employees always expect their managers to be wiser and more knowledgeable than they are and so can offer productive advice and recommendations. This is aligned with the work of Ghuman and Aswathappa (2010) who stated that technical skills are required for managers in order to effectively guide and teach subordinates on the use of tools and how to implement the work assigned to the team. To elaborate upon this, an example is useful: an accounts manager should know the accounting terms and systems very well because they are expected to effectively coach and supervise their subordinates in the use of the most appropriate accounting techniques and systems (Ghuman & Aswathappa, 2010).

Besides the skills mentioned above, an understanding of the culture and government systems of the host country is essential. As stated by some participants, in terms of culture, international staff (expatriates) need to learn the language. This is because language is the means by which people express their thoughts, opinions, beliefs, and life experiences to others in such a way as to generates clear communication for conversation and discussion purposes (Maha & Jafari, 2012). The reason behind the need for such cultural understanding is that most Lao people cannot speak English fluently as the Lao education system does not focus on the locals learning English. Furthermore, based on the participants’ points, the processes of the Lao government system takes longer than expected, for example, in the case of considering and processing the approval of documents such as expatriate visa and work permits. This could result in arguments within teams between expatriates and local staff. Hanson, Hitt, Ireland, and Hoskisson (2014) argue that every country has a different government system, and the political system influences the regulations, policies, and processes of doing business in the country; thus, this can be the cause of misunderstandings and arguments between local and international staff. Therefore, an awareness of the government system of the host country and of situations that could arise and cause the delay of document processing is necessary in order to build a good working environment in the
organisations and to reduce time spent explaining such systems.

5.2.2 Familiarity with the term ‘workplace diversity’

Workplace diversity management is the focus of this research project. From the findings, it appeared that the majority of the participants (nine out of 12) understand the term ‘workplace diversity’ and they can explain what it means to their employees in their organisations. Generally, those participants suggested that, for them, diversity could refer to the differences between local and international staff as well as amongst local staff. They stated that diversity here refers to diverse nationalities, genders, cultures, working styles, tasks, religions, beliefs, communication styles, languages, tribes and so forth. This is aligned with the work of many scholars such as Wambui et al. (2013), Daft (2015) and the Department of Immigration and Citizenship (2013) wherein diversity is proposed as that which deals with differences among people in the organisations in term of their gender, race, age, nationalities, education, cultures, beliefs, ethnicity, language and so forth.

Furthermore, most of the participants focused more on different cultures as the key feature of their workplace diversity. They stated that the diversity in their organisation is about dealing with the cultures of locals, expatriates and ethnic groups. According to Du Plessis (2010), each country has its own culture and cultural differences are that which distinguishes people from different nations. In addition, within cultural diversity lies ethnic diversity and the nature of ethnic diversity is where people identify themselves based on their own cultures, beliefs, and attitudes. People refer to themselves as a group in their community, which also varies according to context. They could share some preferred ways of working and living and single out those with other preferences within their groups, which could lead to the segregation among group members (Hasmath, 2011; Njogu et al., 2009; Schaeffer, 2014).

Therefore, it can be inferred that managers are familiar with the term of ‘workplace diversity’ because more than half of the 12 participants could explain the meaning of the word ‘workplace diversity’. Three out of the 12 participants revealed that they are not familiar with this term and could not explain anything about it; however, the researcher elaborated upon the term for them in
order to obtain more perceptions of their human resource management practices and workplace diversity management.

*Perceptions towards diverse employees in organisations*

In this section, hypothesis 1 of the research project will be tested - *H1: Managers in multinational organisations in Laos value the importance of workplace diversity.*

Diversity is a double-edged sword insofar as it can produce positive and negative outcomes for the organisations so it must be well-managed (Ehimare & Ogaga-Oghene, 2011). With diverse employees, the organisation could gain many more benefits from those employees; whereas, the organisation could face conflicts within and amongst teams if it does not have proper and effective diversity management.

*Figure 4: Benefits of a diverse workforce in multinational organisations in Laos*

However, based on the findings, all 12 participants saw the importance and benefits of diverse employees much more than conflicts. *Figure 4* above shows the benefits that were pointed out by the participants.

*Source: Developed by the author based on the research findings*
The majority of the 12 research participants considered that having different people in the organisation can result in the sharing of more ideas and suggestions, knowledge, experiences and skills within teams; this can help staff to develop their professional ability and skills. This can be understood as an argument based on the fact that Laos is one of the least developed countries in the world, but is aiming to graduate from this position by 2020; According to the The World Bank (2015), the education system still needs further development. The quality of education in Laos is not adequate for the purpose of developing society and strengthening the labour market so it is necessary for many organisations to seek experts or specialists in certain technical fields to train, work with, and engage in professional exchanges with local people (UNESCO, 2012). It can be said, then, that people can gain from the exchange of knowledge, and this ultimately improves organisational performance. This logic is also evident in the work of the Advisory conciliation and Arbivation Services (2012) and Lundrigan et al. (2012); diverse people will bring with them diverse ideas, values, abilities, backgrounds and experiences to share within teams and this can generate more innovations, create new thinking approaches, and strengthen productivity, all of which are central to organisational improvement. Therefore, the literature supports the participants’ views that, despite low quality education, many local staff have good opportunities to learn new things from others, especially from their consultants and foreign advisors.

Likewise, a language advantage is also derived from diverse employees in the workplace. Most of the participants’ organisations are working on the development of rural areas and supporting the poor or those who still lack the opportunities for work and education. Three participants admitted that having both locals and expatriates is helpful for supporting their work as local staff share the same culture, especially the local language, and communication is essential for assisting expatriates’ daily life and work. This is in contrast to Dowling and Welch (2004) who claim that English is considered as the common language used in international assignments so to be fluent in corporate language means to be fluent in English. Nevertheless, Dowling et al. (2013) argue that some knowledge of the local language is very useful for improving expatriate adaptation to the work environment and their performance of the assignment.

Even though, both the Lao and English languages are important, the Lao language is essential for
development organisations that run in provinces or in rural areas because many local people cannot speak English fluently or may not know any English. This is evident in the research carried out by Souriyavongsa, Rany, Abidin, and Mei (2013). They explain that the command of English in Lao is still poor, especially amongst Lao students. This is due to many factors, such as English is a second language, Lao was colonised by the French and under their governance for a long time, and the education system is not well supported in terms of language learning programs and methods. Thus, the English language quality of Lao students is low or non-existent. This results in difficulties for foreign employees; if they work alone and do not have the language then they cannot effectively communicate with target groups. Therefore, language advantage is derived from diverse people, especially from local staff. This is supported by Cherunilam (2010) and Sengupta and Bhattacharya (2007) who argue that one of the benefits of employing local people is that the organisation can reduce the language issues that arise in their work.

In relation to the above discussion about language, cultural intelligence (CI), which is the capability of a person to adapt their own behaviour to a new culture or learning more about diverse cultures by interacting with others, is a strategy to apply when working in a cross-culture environment (Thomas & Inkson, 2009). In addition, Earley (2002) states that CI includes three features: cognitive, motivational and behavioural. Dealing with the difficulty of language acquisition is related to the behavioural facet which urges that people require cultural intelligence skills to adjust themselves to a new culture. Language is an important tool for effective communication; however, according to the work of Livermore (2009), it is found that people who use the same language can still misunderstand the meaning of the words they use. For example, the phrase ‘wait here for a while’ could mean for some people ‘wait for some time’; while for others it could mean ‘wait here a second’ (Livermore, 2009). People with high CI will be more open to accepting and learning new languages in order to effectively accomplish their international assignments (Earley, 2002). Thus, CI is a significant quality that helps people to learn and understand the different meanings of words used in cross-cultural situations (Bunker, Hall, & Kram, 2010).

A further point is that recruiting diverse people, especially women and ethnic people, is a way to accomplish the development work plan of the organisation or of the country as a whole. This is
because women’s advancement is one of the objectives of Lao’s Millennium Development Goals (MDGs) as reported by the UNDP (2013). In addition to this, to promote workplace diversity is a way to produce a positive image for the organisation (Finney et al., 2014). However, to recruit more diverse people in Laos, Affirmative Action (AA) should be organised to encourage more women and ethnic groups into work. However, when using AA, it is necessary to clarify that AA provides equal opportunity to everyone and helps those who were previously disadvantaged. It is not a means to deal with diversity issues per se as Wambui et al. (2013) suggest. Some barriers to, and weak points of diversity that were found from the interviews will be discussed further in research question 5.2.5.

From these findings, it can be summarised that the result supports hypothesis 1 as people in multinational organisations value the benefits of diversity. In addition, they encourage and promote diversity in the workplace, especially women and ethnic minority groups, as most of these organisations focus on helping the poor and those who lack opportunities for education and work.

5.2.3 Perceptions of current diversity management activities

To manage and promote diversity in the workplace, it is necessary to organise activities to manage, encourage and promote diversity in order to gain benefits from them. According to Mor-Barak (2014), diversity can produce positive outcomes only if it is well-managed in accordance with actions; thus, it is necessary to know which current activities are available in the participants’ organisations as well as the perspectives of HR managers and non-HR managers of their current activities. This is in order to draw a picture of managing workplace diversities based on the participants’ opinions. This material can thus function as a means of testing hypothesis 2: 

**H2: HR managers value their current diversity management activities in multinational organisations in Laos as effective practices.**

Diversity management is one of the functions in HR practices and all participants stated that they are involved in HR functions to some extent. Three of the participants are responsible just for those staff in lower positions, while another participant deals with this task only if that staffing
position is related to their own jobs. It was clear that every participant is involved in HRM work; employees issues are not the sole responsibility of HR people since every manager is responsible for managing, directing and supporting their subordinates to work effectively (Hunter & Renwick, 2009). HR people have the responsibility to ensure that HRM is running smoothly and the HR strategic plan is put in place at the organisation to ensure the overall effectiveness of HRM; while other managers have to manage and direct their people to work in a professional manner.

In terms of the management of diverse employees, AA has to be set up before recruiting. According to the research findings, participant PG2-MG4 asserted that if there are no applications in the first place, then there are no opportunities to consider including diverse employees in the organisations. Thus, in order to attract more diverse applicants, AA needs to be applied in the form of placing encouraging words, such as ‘women and ethnic people are encouraged to apply’, in the vacancy advertisement. This is mentioned by Mor-Barak (2014): “Although recruitment of diverse employees can be a goal of diversity management, if there is little diversity in the organisation, the focus should be on recruitment strategies and not on diversity management” (p. 222). Wambui et al. (2013) also argue that when using AA, it is necessary to be careful because sometimes it is used in an inappropriate situation. Developing an employment equality plan is an important task to ensure that AA is implemented appropriately. To implement the employment equality plan, employers need to ensure that those selected members are equally represented in all work categories, AA measures are in place, employees are consulted about all employment issues, and there is an assessment of the programmes and policies of diversity management (Nel et al., 2014).

A further issue related to recruitment is that at the all-important job advertisement stage, both local and international applicants should have the same chance to apply for jobs. However, it is currently unavoidable to advertise for international applicants only because of the situation in Laos where there is a lack of skilled human resources for some specific work and some job requirements would not match Lao people’s knowledge and skills. Thus, it is necessary to import more skilled people at the same time as many unskilled people are being exported, as reported by UNESCO (2012). This seems to be unfair for local candidates, but it is a reality that the
organisations need to recruit foreigners to fill the vacancies.

A key activity is holding staff meetings and/or staff social event since they provide an important opportunity for people to get to know each other and exchange experiences (in terms of work and lifestyles). Participants perceived that such meetings gave their people a chance to learn how to value each other’s differences through interaction. This idea is supported by the study of Geisen and Harder (2011) which emphasises diversity management as the interactive processes of diverse work groups. This means that people should be involved in social interaction processes in order to come to know and accept each other. In addition, to value diversity means not only recognising differences, but also showing respect for personal cultures, and understanding other issues related to individuals’ characteristics. This is in order to create more unity which could lead to job satisfaction amongst the team and avoid any discriminatory forms (Mor-Barak, 2014; Wambui et al., 2013). This could help to create more inclusive teamwork and avoid segregation within groups.

For expatriates, before coming to work and live in Laos, it is a valuable to attend a pre-departure orientation in order to understand, amongst other things, the cultures, as well as the political and economic systems because all such factors influence their work and daily lives, especially, according to participant PG1-HM3, the cultures and local people. This is particularly important because most of the staff in these multinational organisations are Lao people who have are quite different from expatriates in a number of ways, for example, in their working styles, language, and education. However, one participant argued that pre-departure orientation is useful, but when the reality of working and living in Laos is quite different. Even if they are culturally similar, expatriates are also individuals who differ from one another; they could, for example, have different attitudes towards the new environment and may be resistant in a way that could cause some misunderstanding. Daft (2015) argues that the level of people’s diversity awareness is itself different so people could value positive and negative features of diversity variously.

In addition, a code of conduct helps employees to pay more respect to one another (PG1-HM2; PG2-MG4). This is because a code of conduct is something that everyone has to follow; it is the standard, value, principle or rule of behaviour that directs all procedures, decisions, and systems
of the organisation that relates to stakeholders’ welfare and the rights (Professional Accountants in Business Committee, 2007). As one participant pointed out, no matter who you are, or where you are from, you will need to respect and follow the organisational codes of conduct, especially the culture of the country you work in (PG1-HM2).

The printing of brochures, leaflets, booklets and training, focusing on helping the poor and women, and training to help support indigenous people, are the main activities to promote and encourage diversity. Brochures, leaflets, and booklets are good ways of informing people within the organisation, and people throughout the country will see the importance of diverse people and helping the poor by using those tools. In addition, according to Armstrong (2012b), training is a process that gives people the knowledge and skills needed for better job performance. Job advancement training is a good tool to apply in order to increase women’s and ethnic groups’ knowledge and capacity so that they can participate more in their working life.

As a whole country, Laos ranks 60th out of 142 in the gender gap index in 2014, as reported by the World Economic Forum (2014). Therefore most of the focus of participants in terms of diversity encouragement is to help women and the poor. However, in terms of diversity issues in multinational organisations in Laos, Laos does not have serious problems in regards to discrimination, prejudice and harassment in organisations. In order to accomplish diversity promotion activities such as gender equality, GEE and project for the advancement of women, support from other partners, such as government sectors in terms of human resources, is necessary in order to be able to implement some diversity activities. In general, all participants see that their current activities such as applying more AA when recruiting new staff, recruitment advertisement that targets both local and international applicants equally, staff meetings, pre-departure orientation for expatriates, codes of conduct, printing brochures and organising training to support ethnic people and women, gender equality, and GEE are sufficient. Therefore, based on the findings, the answer supports the hypothesis \( H2 \) that HR managers regard their current diversity management activities in multinational organisations in Laos as effective practices.
5.2.4 Perceptions of designing the policies on the management of diverse employees

All managers should be involved in creating HR policies. From the findings, most of the participants (HR and non-HR managers) participated in establishing these policies. This is in line with that in an organisation both HR managers and line managers have to work together to develop HR policies as a whole so as to ensure effective outcomes when applied to everyone in the organisation. It is interesting that there are two out of the 12 participants who said that they were not involved in this process. The reason for this is that they mostly followed the policies set by the head office, which also follows the Lao laws and regulations. However, HR work should belong to every manager in the organisation; it should not belong to HR practitioners alone (Hunter & Renwick, 2009; S. E. Jackson et al., 2012); it also depends on the size, tasks involved, regulations and the level of HR expertise in each different organisation.

Another interesting point is that some participants said that the policies of managing and promoting workplace diversity are not directly included in their HR policies, especially diversity promotion policies; however, they do exist in the organisation in codes of conduct, staff contracts and pre-employment agreements. These practices are considered to be good for all participants. As mentioned earlier, in Laos, there are no serious problems with diversity in multinational organisations. Participant PG1-HM6 also stated that in Lao country, there are no severe problems in terms of discrimination or others. Unlike other countries where some people discriminate on colour, race and others, which is against their laws. Only negotiation and discussion with reference to codes of conduct and agreements signed between organisation and staff within the organisation can heal every problem or argument. Harmonious discussion and fair negotiation is a good thing for solving problems; these negotiation and discussion can be happened by having diverse people, especially when involving women at a high rank of management as argued by Dyer et al. (2014).

From the above discussion, it can be observed that participants saw that their current policies are now sufficient and appropriate to the Lao context. This is because there are hardly any disputes that can prevent organisations from reaching their goals of working with more women and ethnic
people in the organisation. However, in the future, the country will be more diverse, which will require a greater focus on effective diversity management. People should not underestimate the fact that diversity can also produce negative outcomes if it is not managed appropriately as claimed by Ehimare and Ogaga-Oghene (2011).

5.2.5 Barriers that impact on diversity management practice

Diversity management in Laos is neither easy nor difficult just because some participants faced small challenges within their organisations and also because, in Laos, there hardly is any severe problem or issue about discrimination among diverse people within organisations. However, more than half of them perceived this as a difficult task because they have had to deal with diverse behaviour and the attitudes of employees, which could bring about many misunderstanding among teams. Therefore, even though, diversity management in Laos is not too difficult for some people, it is also unavoidable to encounter barriers among diverse teams, especially misunderstanding among diverse people. Misunderstandings can arise due to some of the barriers and/or difficulties that have been found from the findings, which are discussed below:

Language is considered as a benefit that is derived from diversity; likewise, it is also a difficulty when managing diverse employees. The language used can become a cause of ineffective communication as people can be misinterpreting one another’s ideas, which could then affect the work process in the organisation (Shore et al., 2009). From the research findings, language barriers caused delay of work as, when discussing with local and/or ethnic people, it would take longer to explain clearly the tasks for their subordinates to accomplish within the right time. This is also aligned with the notion of Nelson et al. (2012) that problems do not only arise because of the different languages; there could be some misunderstanding among people who use the same language. This is because, even in the same language, there can be many different dialects that cause misunderstanding between individuals. In addition, due to the fact that the standard of English of some Lao staff is still low, problems, confusion and misunderstanding between expatriates and local staff can result, which can affect the work quality. This is supported by the study of Wambui et al. (2013) that someone who has English as a first language
would also face difficulties in communication with others who use a different language, causing negative attitudes that could damage a good relationship between individuals.

**Figure 5: Issues causing misunderstanding in a diverse workforce in multinational organisations in Laos**

Source: Developed by the author based on the research findings

Misunderstandings can make the work and working environment worse in a diverse working team. Misunderstanding can be caused by many reasons. From the research findings, it can be observed that the *different behaviour* of individuals leads to difficulty in getting people to acknowledge and value the diversity of one another, such as personal background, skills, lifestyles, communication styles and so forth (PG1; PG2). All of these will cause difficulties in building inclusive teamwork and relationships among people in the organisation (PG1-HM3). This is in line with the work of Mor-Barak (2014). Diverse people have different attitudes and
behaviours, particularly prejudice and discrimination, which are barriers in implementing inclusive policies in the organisation. In regard to this, prejudice, stereotypes, and discrimination are perceived as some of the obstacles to getting people to acknowledge diversity in the workplace as also noted by Wambui et al. (2013) and Patrick and Kumar (2012).

**Different working styles and working system** in Laos are the issues that cause arguments among teams in the organisation, particularly the working styles between local and international staffs. Seven out of the 12 participants asserted that, due to the differences in working styles of people in the organisation, there could be some misunderstanding, complaints and small disputes. For instance, international staff expect work done by local staff to be completed in a particular time. When tasks are not completed on time, this could be due to the different working style. As also supported by Boone and Kurtz (2011) it is true that people can learn from diverse people; however, conflicts in diverse teams will occur if the needs of a person or group does not match another’s and also if there is an incompatibility over priorities and work goals as well as disagreement over what, when and how work is done. In addition, the government system can be a cause of misunderstanding, causing arguments among them. Different countries across the world have different political and legal systems (Gaspar et al., 2014), which influence the working style and business strategies (Hanson et al., 2014). Organisational culture is another powerful force that influences the way of thinking, behaviour and mood of employees; it influences employees’ work attitude and performance (Agwu, 2014). From this point of view, it can be said that different people from different working backgrounds working together may have different corporate cultures and these differences can cause conflicts. This situation could lead to some misunderstanding, problems and complaints among diverse employees, resulting in managers and HR managers spending more time to find out the cause and effect and to resolve the problems.

Another difficulty is the culture; cultures are different in different countries or groups of people and their attitude, behaviour and values are influenced by cultures. People in different cultures perceive things and react differently. In the multinational environment, there may be a negative perception towards the host country culture if expatriates encounter negative experiences with the host culture (Peltokorpi (2008) as cited in Lockyer, 2010). From the research findings, there
is often a disagreement between expatriates and local staff due to their different perspectives over some practices and attitudes. For example, in Lao culture, some people are quiet and hardly talk. As well as being perceived as straightforward, it may mean they appear rude or are acting inappropriately. For some expatriates, it is normal to have regular work discussions. However, this could have different meanings in different cultures or countries, which could cause disputes that need to be resolved. This is noted by Dowling and Welch (2004); anyone who travels abroad, whether on business or as a traveller, will always experience cultural differences in language, dress, attitude, food and so forth, especially culture shock, and different ways of reacting, for example. This can cause embarrassment and may then bring about negative feelings and misunderstanding towards one another.

Some participants stated that the adaptation of some ethnic minority staff is a difficulty as they have strong beliefs in their own culture and traditions. They may hardly adapt to the majority of staff in the organisation. This is also supported by Hasmath (2011), the majority of ethnic groups retain their cultural values, beliefs and habits in the society much more than the required traits; this could cause difficulties for managers or HR managers in terms of making appropriate regulations or policies for them. Therefore, the organisation cannot create organisational policies at once and then apply them to all; they need to adjust their policies based on the circumstances of that area; however, equality (EEO) amongst staff must be taken into account. For instance, indigenous people may not accept the holidays that the majority of staff have, so the organisation has to organise holidays on different dates in each different province; even so, everyone still gets the same number of days off (PG2-MG4).

Based on this, the organisation needs to treat all staff, including in EEO, the same in order to avoid any problems against minorities, women in the workplace, and other unfair issues as noted by Denisi and Griffin (2014). From this finding, it can be seen that people who have strong beliefs could be resistant to change. Moreover, in terms of diversity, workplace diversity itself causes concern to people who have experienced less diversity in that that they will resist change. It could be difficult for managers to ask those types of people to adapt to new a environment in a short time (Lussier & Hendon, 2013).
5.2.6 The adaptation of HR and non-HR managers in improving the effectiveness of diversity management

This is also to test the third research hypothesis which is:

**H3: Non-HR managers in multinational organisations consider their adaptation to work with diverse employees as significant for supporting the work of diversity management.**

Laos has become more diverse in terms of its employment. With both local and international staff and in relation to HRM in multinational organisations, it is impossible to organise a “one-size-fits-all” regulation or policy like. From the findings, many participants have adapted themselves in order to encourage and manage their diverse employees.

The standard of work and study in Laos is quite different from other countries, which makes it hard for managers to forecast their employees’ working attitude correctly. In addition, many local staff are not brave enough to talk directly to the boss, as observed by the research participants. Therefore, the adaptation of managers and HR managers is important, especially their approachability and coaching styles. Many participants agreed that they need to listen to their employees in terms of their happiness or difficulties at work so that they can identify the issues that need to be resolved or improved. If staff members do not speak, leaders or managers cannot hear what they think and feel about the organisation. It is also recommended by Pingree (2008) that it is necessary for managers or leaders to be approachable in order to get to know employees’ thoughts personally. It is a way to ensure fair and just treatment as managers do not have to judge things by themselves but involve their staff. In terms of coaching, it is a way to teach and train employees in terms of their knowledge and technical issues. As everyone is different, it is impossible to expect others to be the same as oneself (Pingree, 2008). Therefore, to be effective in coaching employees, it is a prerequisite for managers to be able to look past the differences of employees and notice how those employees learn, work, think and interact with each other (Snell & Bohlander, 2013).

As culture is considered a difficulty in managing diverse employees, managers need to be adaptable to diverse cultures in order to manage and direct staff correctly. As observed from the
findings, most local staff are reluctant to talk to the boss or participate in giving comments. A reason for this issue could be that Laos is a high power distance culture that respects higher rank people (Hogan, 2002; Jandt, 2015). According to Hofstede (1984), in a high power distance country, managers are seen as paternalistic decision makers in the organisation, and subordinates are not brave enough to disagree with their managers/leaders because they would be considered as a weak link in the group or that they dislike the work. In addition, the culture of high power distance tends to communicate with limited interaction, which and then causes differences among people (Jandt, 2015). This could be the reason for the reluctance of talking openly between boss and subordinates. Therefore, most managers or HR managers need to change their communication styles, understanding of culture and local people and some of them need to learn the Lao language in order to effectively communicate, guide, advise and coach them to perform their tasks professionally. This is also supported by Poonia (2010), to ensure effective work and achieve organisational goals, communication is a necessary basis that managers need to focus on as it is a task that transfers messages, mission and vision to subordinates and others in the organisation. However, this is not an easy task to achieve; it requires a well-planned strategy and significant change. This is because communication in cross cultures will always face some barriers; misunderstanding, values and beliefs, norm and roles, stereotyping and ethnocentrism as asserted by Jenifer and Raman (2015).

It is interesting to note that one participant asserted that within the adaptation to communicate with their employees, a third person is needed to act as the communicator between boss and subordinate, because staff will talk more openly to the one who is not the boss. The participant stated:

*PG2-MG6: Many local staff hardly talk to me, so it is hard to find out their story or the work problems or any other difficulties regarding their work. Therefore, I will have to communicate to them through a third person who acts as a middle man for our communication. Staff can talk to her more openly than talking to me.*

It is true that staff will be more open with and open to the third person; however, according to Mor-Barak (2014), there can be a miscommunication if the messages sent are received differently by other people, which could have a negative effect on the organisational work.
Being understanding to any unexpected result from staff is significant. People from different backgrounds will have different working styles and different expectations of the accomplishment of work, which could lead to different results for others. Some research participants faced this issue quite often so that they have to be patient and try to negotiate around this problem sensitively. This is also agreed by Heistad (2011), “Within a diverse group, patience is often called upon as we negotiate different cultures, values, social norms, expectation and assumptions” p. 56. This author admits further that being patient will help to enhance effective respectful interaction and discussion with diverse people who have different backgrounds (Heistad, 2011). In addition, by maintaining confidentiality when solving any disagreement/conflict between individuals in the organisation can help the negotiator or manager gain more facts. Employees who are involved in a conflict will feel more convinced if the manager demonstrates that all information from them will be kept confidentially before being invited to the discussion as suggested by Scott (2010).

When working with diverse people, everyone should be prepared to adapt to one another; however, HR managers or non-HR managers, need to adapt themselves in terms of their communication styles, working styles, cultures and being more patient with unexpected work results from employees as much as possible. According to the above discussion, it can be said that the answer supports the hypothesis 3 which stated that **H3: Non-HR managers in multinational organisations consider their adaptation in terms of their communication styles, working styles, cultures and being more patient to unexpected work results from employees as significant for supporting the work of diversity management.** This is because most of the participants found some difficulties that needed to be dealt with. They have adapted themselves to the current environment in the organisations in Lao PDR in order to manage their people effectively, especially when solving disagreement within the organisation.
In addition to the above adaptations, all participants proposed that the work of HRM does not belong to only one person; it belongs to every manager/leader/supervisor (PG1; PG2). Therefore, in relation to this, the participants described some ways all leaders can help to effectively manage diverse employees in Laos:

- Understanding organisational system and policies
- Understanding themselves and subordinates
- Being a good motivator by being helpful to employees
- Having good communication skills
- Building teamwork and good relationships
- Being flexible in their leadership styles
- Attending pre-departure orientation before coming to work in Laos
- Focusing on Affirmation Action when recruiting new staff and ensuring that all messages are delivered to the focus area such as provincial and district levels. Advertisements should not be placed in the media in the central newspaper, but on local radio stations and local newspapers. This is in order to attract more local candidates, women and ethnic people.

5.7 Summary

This chapter provides a critical discussion of the findings in chapter 4 in order to answer the research questions in chapter 1 and the research hypothesis. The findings of this research indicate that most HR managers and non-HR managers have more than one role; however, all of them are involved in some HR work as they have to deal with employees who are under their supervision. To be able to handle their diverse roles, it is necessary for them to understand culture and the
government system in Laos besides their basic skills, such as management and technical skills.

In terms of workplace diversity, all of the participants value their diverse workforce as a benefit to the organisation. In Laos, the country still lacks specialists for some technical work, especially development work. Therefore, having both a local and international workforce will help to provide opportunities for local staff to exchange and gain new knowledge and skills. However, both local and expatriates can benefit from the language too, especially when working in some local area in which English is unknown. This means that ethnic people are important when working in rural areas or in their ethnic areas. They have the language needed and most of the participants’ organisation is focusing on development work such as helping the poor and those who lack the opportunities, especially people from ethnic groups and women. In addition, having more women and ethnic people working in the organisation is a way to accomplish one of organisational objectives, as promoting diversity is a main concept of the organisation.

The research findings demonstrate that to promote diversity, recruitment is the first step to gaining more diverse people. Recruitment should be open for both local and international applicants in order to provide equal chances for every applicant. Furthermore, the phrase ‘women and people from all ethnic origins’ are encouraged to apply’ has been put in the text of the advertisement. The reason for this is that the research participants’ workplaces mostly recruit more women and ethnic minority groups in each province. Staff retreats are a means for providing a great chance for staff as a whole organisation to get to know, value, and interact with one another more. Brochures, leaflets and booklets, and training to promote diversity are all necessary to get people to value diversity and to improve skills of women and ethnic minority people, especially training for ethnic groups and advancement of women. All activities undertaken, such as recruitment strategy, staff meetings, brochures, leaflets, booklets and training are sufficient for the workplace diversity environment in their organisations. However, the policies for managing diverse employees are not directly included in HR policies for some organisations, which will only include some details of diversity promotion on another document such as codes of conduct and contract agreements.

It can also be observed from the research findings that it is unavoidable when working with
diverse people in the same organisation that there will always be some barriers or difficulties in managing them. Firstly, the language; as mentioned earlier, most local staff are not fluent in English, which makes it quite hard for expatriates to work effectively with them. Secondly, there is always misunderstanding among them because people have different attitudes and behaviours, different working styles and systems (especially government systems in the host country) and different cultures which can cause people to interpret the words and actions of each other differently. Finally, another barrier is the adaptation of some ethnic people to the organisation’s environment. Some ethnic members still have a strong belief in their cultures and traditions; therefore, the organisation needs to provide different policies for them to feel acknowledged and understood.

From the perception of all participants in this research study, both HR and non-HR managers consider their adaptations to be substantial when managing diverse employees in the organisation. The findings show that some of local staff hardly interact and talk with the boss. Therefore, firstly, it is necessary for them to be more approachable and focus more on coaching and teaching employees, as they have different cultures and working standards, which need further development. Secondly, they need to adapt to local cultures by changing their communication styles, such as talking to them in a friendly way or having a third person, learning the language in order to make interaction within organisation and outside of work easier, and understand the behaviour and attitude of local people. The final aspect is that, as the standard of working and working styles are very different, managers or leaders must be more patient with any unexpected outcome from the work of employees and find solutions to the problems.

Overall, the findings of this research point out that all of the managers in the research sample value diversity as a benefit to the organisational objectives. In their organisation, they have performed some activities to promote diverse people to work together and respect each individual’s personality and skills. Even though, there are some difficulties in managing diverse employees, all the activities and negotiations applied are enough as in Laos there is no serious conflict or discrimination. However, a few organisations do not have diversity management policies included in their HR policies. As a result, there are still a few weak practices in terms of
gender balance and ethnicities.

In chapter 6 the conclusions of the research project will be provided as well as some recommendations based on the research findings. Furthermore, some limitations of the study will be identified and suggestions for further research will be offered.
Chapter 6: Conclusions and Recommendations

6.1 Introduction

Chapter 5 discussed the key details of the findings derived from the results presented in chapter 4. All those results were informed by the six research sub-questions and then explored in relation to the relevant literature reviewed in chapter 2.

In this study, the focus was on investigating perceptions of HR and non-HR managers in multinational organisations in Laos about their workplace diversity. The data collection and the analysis of the study aimed to assess whether or not the perspectives and actual practices of diversity management are sufficient and effective. This chapter provides some recommendations for better performance of diversity management which are derived from the research participants and the researcher’s own analysis. All the results respond to the six research questions that were listed in chapter 1.

Therefore, firstly, this final chapter draws together the results and discussions from previous chapters and advances a final conclusion. Secondly, the strengths and limitations of the study are identified. Thirdly, a summary is presented of important recommendations for better diversity management practices. It is proposed that it could be constructive to take these into account when managing diverse workforces in Laos.

6.2 Conclusion of the research project

In this research project, the qualitative and interpretive approaches were employed. The conclusions and recommendations of this study are drawn from the data gained from semi-structured interviews with the 12 HR and non-HR manager participants in multinational organisations in Laos.
6.2.1 The roles of HR and non-HR managers in multinational organisations in Laos

To be clear about the roles of individuals in organisations is important because the roles of diverse people from different places vary from culture to culture; managers need to be able to adapt themselves to the environment they are working in (Comfort & Franklin, 2014). From the case study involving multinational organisation in Laos, it can be found that most managers play more than one role or have more than one responsibility; HRM work is one of their responsibilities and is considered to be one of the most important roles. This is because human resources are the core assets of the organisation which contributes to its competitiveness and success (Hartel & Fujimoto, 2015; Hunter & Renwick, 2009; Nickson, 2013; Sharma, 2009). It is in this sense that benefits can be derived through effective HRM activities (Taylor et al., 2015).

In addition, every manager has to manage their people within their working unit. It is not possible for one person to manage and control people in an organisation; all other line managers must be involved if the workforce is to be managed and directed effectively (Hunter & Renwick, 2009). However, there is a concern that if HR managers are responsible for more than one role, then the result may be one of poor people management. The work of HRM is to attract the best people with the appropriate skills and manage them effectively (Sharma, 2009); if HRM work is unproductive, then the organisation will confront lower work productivity. The organisation might have good HR policies; however, poor implementation of HRM could lead to lower competitiveness as it could produce lower quality human resources in the organisation (Taylor et al., 2015).

Based on the case study in Laos, to handle diverse responsibilities, there are some essential skills for HR and non-HR managers to consider. The first concerns the management skills which every manager needs to have in order to ensure smooth and effective organisational operations; management skills are the factors that influence the progress of the organisation (Ferreira et al., 2009). Within this skill resides people skills and that is the foremost skill that is required for managers or leaders. The second encompasses technical skills which are central to ensuring effective outcomes of specific tasks. Here managers need to be expert supervisors because
subordinates will always expect productive advice from those who are their managers or leaders (Ghuman & Aswathappa, 2010). Thirdly, it is necessary for managers to develop an understanding of the culture and government systems of the host country. In terms of culture, language is an important aspect for expatriates as the English level for some local people is still low; thus, knowing the language will make the task of managing diverse staff easier. Furthermore, government systems differ from country to country; if people do not understand this, then there could be disagreement among teams. Therefore, it is necessary to understand the systems of the host country, especially some emerging situations that would delay the document processes in order to avoid any conflicts.

6.2.2 Familiarity with the term ‘workplace diversity’

Wambui et al. (2013), Daft (2015) and the Department of Immigration and Citizenship (2013) point out that diversity is about dealing with differences among people in organisations in term of their gender, race, age, nationality, education, cultures, beliefs, ethnicity, languages and so forth. From the perspectives gleaned from the interviews in Laos, most of the participants perceived diversity in the work place to mean the differences among people who work together in an organisation. However, the majority of them focused on the different cultures between local peoples and expatriates as well as between locals, expatriates and ethnic groups. Culture differs within and between countries and is a strong marker of the distinctions between groups of people; ethnic people also identify themselves based on their cultures and beliefs (Du Plessis, 2010).

Having diverse people in an organisation can produce both positive and negative outcomes. Diverse people can share knowledge, experiences and skills, and broaden the choices for problem-solving; however, such diversity can generate negative outcomes if it is not well managed (Ehimare & Ogaga-Oghene, 2011). According to the research results, having diverse employees in an organisation is a benefit because different approaches to problem solving, knowledge, experiences and skills are shared within teams; this helps staff to develop their professional capabilities and skills. In particular, local staff can learn from, and exchange some technical skills with expatriates who function as their consultants or foreign advisors; some of
specific skills are hard to develop within Laos.

In addition, learning languages is a benefit that can result from working with diverse employees. English is considered as important for doing business, and to be fluent in corporate language means to be fluent in English (Dowling & Welch, 2004). However, knowledge of the local language is also significant for improving the performance of the work in which people are engaged (Dowling et al., 2013). From the research results, it was clear that having both locals and expatriates in the organisation is beneficial in terms of language, especially local language as most of the participants’ organisations operate in rural areas, in which English is not common in their target groups. However, this does not mean that English is not important; most of the local staff in the organisation can benefit from learning English from expatriates. It is true that the Lao language is vital for most development organisations, especially ethnic languages. Hiring local staff can enhance the communication with local people who do not know English.

A final point can be made here in relation to those organisations whose aims and objectives are to promote diversity by focusing on helping people who lack opportunities in work and education, especially women and ethnic peoples. In this case, recruiting diverse employees - women and ethnic people - will help the organisations to achieve their organisational goals and objectives. Figure 4 in chapter 5 depicted the benefits that most of the research participants stated as resulting from organisations having diverse employees.

### 6.2.3 Perceptions of current diversity management activities

In relation to diversity management, there are many activities that can be carried out to promote workplace diversity. Based on the research results, it can be observed that the initial step is to attract diverse people by putting more emphasis on the recruitment context. In other words, Affirmative Action (AA) should be put in place. For example, when recruiting staff, a way to attract more diverse applications from women and ethnic people (in Laos, this could be Hmong, Kmuic, Akha, Tai and Yao people) is to add a sentence saying that women and minorities are encouraged to apply. This is in order to give confidence to those groups of people to apply for the job. In addition, AA can be used to confirm the positive and proactive recruitment, hiring,
training, and promotion practices of the organisation which ensure that everyone is treated and represented equally and appropriately at all levels (The Balser Group, 2014). Furthermore, it is necessary to advertise for both local and international candidates in order to ensure equal opportunities to all. However, it is sometimes necessary to advertise for international applicants only because some skills are hard to find in local applicants.

Furthermore, there are some other activities which offer staff a chance to interact with one another and to learn about, and respect cultures that are new to them. These activities include staff meetings, pre-departure orientation for expatriates, codes of conduct and the provision of booklets and training (for instance, women’s advancement training) to promote diversity, especially for women and minorities. Staff meetings are activities that most of the organisations arrange to give employees the opportunity to interact with each other and discuss their work and personal and social life. A main aspect of diversity management is supporting the interaction of diverse work groups because it is a chance for different people in the organisation to get to know one another and exchange work-life experiences (Geisen & Harder, 2011).

Pre-departure orientation is an interesting aspect. It is a useful programme for expatriates to get to know the culture, people and politics of the host country where they are going to do their international assignment. However, as gathered from the research results, there can be a mismatch between what expatriates have learnt from this programme and what applies in the real situation. This can be confusing for them and lead to disagreements in the workplace. However, overall, the issues of discrimination, harassment and other serious problems associated with diversity are not found in Laos; thus, the activities observed from the findings are currently effective and therefore sufficient.

6.2.4 Perceptions of designing policies to manage diverse employees

The findings revealed that the majority of HR and non-HR managers are involved in creating HR policies. However, it is not necessary to import diversity management policies directly into HR policies. As Laos does not have any severe problems in regard to diversity then diversity management policies could be in the form of other organisational documents, agreements
between staff and organisations or codes of conduct. In addition, negotiations between and within teams are more than enough to deal with any disputes amongst diverse employees in the organisation. Harmonious and fair negotiation is a good way to remedy any problems that may occur, and, interestingly, harmonious discussion and negotiation can also derive from diverse people (Dyer et al., 2014). However, in the future, diversity issues should not be underestimated as diversity is a double-edged sword which can produce positive and negative outcomes if it is not well-managed (Ehimare & Ogaga-Oghene, 2011).

6.2.5 Barriers/difficulties that impact diversity management practices

Even though there are not any severe problems resulting from diversity, there are some barriers/difficulties in managing diverse employees within an organisation. In relation to this, the results revealed that the main difficulty is misunderstanding amongst a diverse workforce. Misunderstanding can be the cause of a poor working environment such that it could take more time to negotiate and accomplish the work. Misunderstanding can happen for a number of reasons: a) while knowledge of languages is a benefit of a diverse workforce, it can still be the cause of misinterpretation between different languages or even within the same language (Nelson et al., 2012); b) observing individuals behaving differently to one’s self can result in prejudice, discrimination and stereotyping which in turn can become obstacles for people to value the differences of others in the same workplace (Patrick & Kumar, 2012; Wambui et al., 2013); c) different working styles and working systems can lead to disagreements within and between teams because diverse people have different expectations of work; d) different cultures between local staff and expatriates; and e) the adaptation of ethnic minority groups. Figure 5, in chapter 5, functions as a summary of these issues that cause barriers/difficulties in managing diverse employees in Laos.

6.2.6 The adaptation required of HR and non-HR managers to assist in managing a diverse workforce in the organisations

According to the research results, HR and non-HR managers see that they will need to adapt themselves when managing their diverse workforce. As a manager or leader, it is necessary to be
approachable and focus more on coaching, especially when dealing with local staff. Some staff are reluctant to talk to the boss or manager; thus, managers/leaders need to be more approachable in order to discover employees’ thoughts by encouraging them to voice those thoughts (Pingree, 2008). In addition, Lao systems and relationships are hierarchical (Hogan, 2002; Jandt, 2015), and this can cause less interaction between bosses and subordinates. Therefore, the communication styles of HR and non-HR managers must be adapted to ensure effective communication among people in the organisation. Furthermore, being more patient with unexpected outcomes is a way to work with diverse employees in Laos. Patience is important and can enhance effective interaction when dealing with different cultures, values, backgrounds, social norms, assumptions and expectations (Heistad, 2011).

Moreover, to solve conflict or disagreements, HR and non-HR managers need to model and clearly state that all information derived from any party will be kept confidential. Many staff are afraid of losing face and rarely express the truth; thus, keeping confidentiality can assist in getting more facts when dealing with any disagreements. Employees are likely to feel more trusting when negotiators/managers/leaders make it evident that they will keep everything confidential (Scott, 2010). More generally, to work in a diverse group, everyone has to adapt and accept each other. However, case study illustrated that the managers will adapt themselves to their subordinates more than employees adapt to others, especially when it comes to relations expatriates and local staff. The ratio of the adaptation can be calculated as 70% expatriates to 30% local staff (see figure 6 in chapter 5).

6.3 Strengths and limitations of the study

6.3.1 Strengths

In this research study, the validity of the data collection is a significant strength. This project employed semi-structured interviews as the sole method; however, it helped the researcher to gain more in-depth data by being in a position to elaborate upon the topic and encourage participants to provide further information regarding the issues being discussed. In addition, the interviews for the data collection process were carefully conducted and recorded in a way which
helped remind the researcher of the exact perspectives of, and information provided by the participants.

Another significant strength is that all participants worked as HR managers, non-HR managers and/or project leaders. All of them possess current and relevant knowledge and experiences in management, including people management, in multinational organisations. Thus, for this research topic, they functioned as a valuable and reliable sample in providing pertinent and up-to-date information in the context of their organisations.

6.3.2 Limitations

This research study has some limitations which need to be considered. The first limitation is that the target participants of this research project were HR and non-managers only; as a result, all findings and discussions reflect only the perspectives of these higher rank people. This means that perceptions of workplace diversity from staff in lower positions are not revealed.

The second limitation is that the sample size was not reached, being 16 participants, as the researcher targeted; which would be a concern for readers to consider that it would not be enough for this study. However, there were 12 participants involved in this research study; which were more than half of the earlier targeted participants.

The third limitation is that this research study focused on a single location, specifically the situation pertaining to Laos; information about other countries or regions was not collected as it was beyond the scope of this thesis. Therefore, comparisons about workplace diversity with other countries cannot be made.

Furthermore, in Laos, there is not any noticeably concern regarding discrimination or harassment as might be the case in other parts of the world. Therefore, some of the given recommendations would not apply to countries that experience serious problems of diversity.
6.4 Opportunities for future study

The research surveyed the perspectives of managers in multinational organisations in relation to workplace diversity management and practices. To generate more understanding about the effectiveness of workplace diversity management in Laos, the researcher would like to suggest three future research areas:

- The first is that a research sample includes both bosses and employees within the same organisation in order to compare and contrast perspectives on diversity amongst those occupying different positions in the hierarchy.

- The second is to survey what content should be included in diversity training. Such training should be considered for every employee in the organisation. In other words, it would be useful to consider training for those who work at every level in the organisation, from the central level, provincial level, district level, to the village level.

- The third suggestion is to compare and contrast the perspectives of people who work in Laos with those in other countries. By identifying different or similar perspectives between two or more countries, researchers could ascertain more about workplace diversity in terms of its advantages and disadvantages. Such a project would also enable a comparison of lessons learnt and knowledge exchange as experienced in different places.

6.5 Recommendations for diversity management in multinational organisations in Lao PDR

Based on the research results, some proposed recommendations are:

First, the results showed that every manager or leader has responsibility for managing, controlling and advising their subordinates as well as taking care of their own main tasks. However, it was found that the majority of HR managers are responsible for more than one main task, and this could cause some weaknesses in terms of HRM. HR managers need to ensure not only that the organisation gets the right number of right people for the positions, but also that all
policies and procedures are put in place and strategic HR activities are implemented. In addition, even if organisations have good HR procedures and activities, poor implementation can result in poor HRM. Poor people management, in turn, has a detrimental impact on the organisation’s competitiveness. Thus, it is recommended that the organisation should have a clear role for HR people, and HR managers should focus on HRM activities in order to enhance the effectiveness of people management.

Second, it is vital for the organisation to put in place multicultural training. This includes culture sensitivity, the linkage between diversity and inclusiveness and performance management practices. Such multicultural training could help to strengthen relationships among staff and managers and within management teams, and, in turn, the quality of work performance. It is interesting that many of the studied organisations in this research did not mention the issue of staff training in diverse cultures. Regular staff meetings or annual staff retreats are ways to enhance unity among staff. However, such meetings and retreats would not in themselves ensure that people developed a clear understanding of how to be open-minded about different cultures and how to understand and acknowledge their differences. Therefore, this training should include people who are from different ethnic groups in order to encourage them to interact with each other and thereby learn to understand and value other cultures. If there is understanding, then it is possible to improve the level of people’s adaptation, and for some ethnic minorities to improve their level of adaptation when working in multinational organisation since it is imperative in this context for people to change and develop themselves alongside others.

Third, the results demonstrated that the acknowledgement of diversity among staff and the organisations occurs only through the agreement signed between HR managers and individuals. To be more effective in a diverse workgroup, every manager needs to communicate with people who are under their supervision and encourage them to understand the different characteristics of colleagues and how these can be linked to individuals’ skills and competencies in relation to work expectations. This could be a means of inspiring employees to value each other and understand and respect each other regardless of personal characteristics. In addition, people may be reluctant to speak if they feel embarrassed about their accent, dialect or language fluency; thus, acquiring knowledge of such language issues is a recommendation that should be taken on
board by organisations in their planning around diversity. It would help people feel more confident when communicating with others, regardless of whether it is a Lao or English accent, dialect or language.

**Fourth**, based on the results of the study, it is observed that there are no serious discrimination or prejudice issues in Lao. However, it is recognised that the majority of the surveyed organisations still lack an evaluation process, so there is guarantee that there will not be any problems concerning a diverse workforce in the future. Hence, to ensure effectiveness, the organisation should seek staff reflections on diversity. It is essential for the organisation to have a precise assessment and auditing process in terms of their diversity management practices. Overall, strategic diversity management policies need to be devised and clearly communicated.

**Finally**, the results of the research showed that the absence of diversity promotion implementation in front line activities is due to a lack of personnel. Front line staff and volunteers need to be identified and trained in the promotion of diversity. Increasing the human resources available for training both Lao and international volunteers in diversity promotion will help support project implementation. For instance, to implement diversity promotion projects, the organisations that provide volunteers to support development projects can help in providing human resources, comprising both Lao and international volunteers. It is likely that those volunteers would still need to be trained in diversity or other issues related to the advancement of peoples. In other words, TOT (training of the trainer) is still vital; it should not be considered as an add-on activity. In addition, this is a way to support volunteers to develop their skills in terms of assisting the project implementation and to help the organisation to accomplish its diversity promotion objectives.

Overall, considering the perceptions managers have of workplace diversity is an important means of identifying the ways they value and manage their employees in light of diversity issues. It can be argued that managing diversity in the workplace in Laos is neither a major challenge nor is it straightforward. A diverse workforce can produce both advantages and disadvantages. However, the research demonstrated that managers or leaders do view workplace diversity as an advantage to their organisations; they reported only minor difficulties that need to be resolved. In
today’s multinational workplaces, the workforce is becoming more diverse; thus, increasingly, diversity management needs to be taken into account. In this sense, understanding managers’ perceptions of their diverse employees can provide a pathway to designing better ways of managing and encouraging people to work, that is, to focus more on work performance than personal characteristics. In the Lao business and working environment, this awareness of diversity is critical for the country to move forward in improving management as a science in achieving business and/or organisational excellence.

6.6 Summary

Human resource management is an important function that every organisation has to focus on. In an international environment, workplace diversity is another significant aspect to take into account. People from different regions or countries working together can produce many positive outcomes for the organisation. However, there are some issues that need to be dealt with. This is because different people possess different skills and abilities and cultural values which can bring about disagreements within and between teams. These, in turn, can affect the work performance of organisations. Therefore, diversity management is essential for ensuring effective support of, amongst others, diverse employees.

From the research results, it was evident that diversity in multinational organisations in Laos is acknowledged by all managers. There are many activities that can promote workplace diversity, including agreements between staff and organisations to value each other regardless of personal characteristics.
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APPENDICES

APPENDIX 1: Semi-structured interview questions

Semi-structured interview questions

I. Identifying the current roles of managers/HR managers in the organisation

1. What are your main responsibilities as a manager or HR manager in your organisation?
2. In your perspective, what are the key competencies that managers/leaders in your organisation should have in order to be effective?
3. Do you think that the roles of managing people are more or less important than other tasks in the organisation? Why or why not?

II. Examining the level of awareness of the importance of diverse workforce.

1. How familiar are you with workplace diversity term?
   - If yes,
     1.1 What is your understanding about the roles of managing diversity in the workplace?
   - If no, the researcher will explain briefly about this term
2. What are your perceptions on having diverse workforce in the organisation?

III. Assessing the current practices of diversity management

1. Does your organisation provide any practice or activities for promoting workplace diversity? What are there?
2. What are your perceptions those current activities of managing a diverse workforce?
   - Do you think that those activities are sufficient and effective? Why or why not?

IV. Investigating HR managers’ perceptions on designing the policies of managing diverse employees
1. Are you involved in making any HR policies?
1.1 If Yes,
   - Are the policies of managing diverse workforce involved and practiced?
   - *If yes,* how do you think about current policies of managing diversity in the workplace?
   - *If no,* in your perspectives, what factors do you think should be considered before designing diversity management policies in order to contribute to the organisational success?
1.2 If No,
   - Who are responsible for this?
   - Do you think that you should be participated in this process? Why or why not?

V. Determining the challenges of managing diverse workforce

1. Do you think that managing diverse employees in your organisation is difficult?
   *If yes,*
   - What could be the barriers that would impact the practice of diversity management?
     Why?
   *If no,*
   - Could you please explain what criteria that support this implementation? Why?

VI. Determining the changes managers/supervisors have made in their organisation to manage diverse workforce that might have led to increased effectiveness in managing diverse employees

1. Based on your experience in this organisation, what structures or processes or yourself have you adapted or changed to improve the effectiveness when managing diverse workforce?
2. Could you please explain how your adaptation(s) assists in this task?
3. In your viewpoint, what do you think managers, supervisors and HR managers should do to assist in managing diverse workforce in order to improve the effectiveness in the organisations?
APPENDIX 2: Information sheet for participants

INFORMATION FOR PARTICIPANTS

Research Project Title

“Managers’ perceptions of the extent of diversity management in multinational organisations in Laos”

Synopsis of project

My name is Athikone Thipphonephosy, and I am a postgraduate student at Unitec Institute of Technology, New Zealand, studying a master of business qualification. To fulfil the programme’s requirement, I will undertake a study of managers’ perceptions of diversity management in their organisations. This task is an important task that would help to increase the awareness and abilities of managers in terms of managing employees effectively in multinational organisations in Laos. Therefore, my thesis will focus on the field of human resource management in multinational organisations, particularly the management of a diverse workforce in order to enhance the performance of organisation and employees.

What we are doing

The aim of this research project is to identify the perceptions of managers and human resource professionals in terms of the importance of managing diversity in multinational organisations in Laos. By participating in this project you will help the researcher to understand more about how managers or human resource professionals in your organisation perceive the importance of having and managing diverse employees; which could be helpful for improving the performance of
organisation and employees. Moreover, this study will help the researcher to recognize whether diversity management activities are implemented by managers and HR professionals in multinational organisations in Laos. The study could also assist in identifying the challenges or barriers in managing diverse employees that most managers face. Finally, this research could help to identify behavioural changes that managers/HR professionals could engage in to increase the effectiveness of diversity management in the organisation.

What it will mean for you

The researcher would like to request your participation in an interview in order to ask you some questions related to human resource management activities, especially the management of diversity in the workplace. The interview will be arranged at a time that is convenient to you at your organisation, between late December 2014 to late March 2015, and the interview will take about 45 to 60 minutes.

Your name and personal information will be kept confidential. Your comments and suggestions will not be indicated as deriving from you or your organisation. All data collected from you will be stored securely on a password locked file and only you, the researcher and the researcher’s supervisor will have access to this information. The researcher confirms again that there will not be any negative effects to you or your organisation as a result of your participation.

Regarding the interview process, a recording device will be used to record the interview and then the information from the interview will be transcribed by the researcher. A copy of the transcript will be sent to you to check for accuracy. You are free to ask me not to include any information that you feel uncomfortable with and you also have the right to access the final report or the thesis, if you wish to.

Note: This is a voluntary process and you are under no obligation to participate in the project if you do not wish to do so. If you are interested in participating in this project, you can contact me directly by using the contact information provided in this information sheet so that we can determine whether there is space in the project for additional interviewees (there is a maximum
number of participants that can be taken). In the likely event there is space, we will then arrange for the interview at a convenient time. Before the interview is started, you will be asked to sign a Participant Consent form. However, even though you have been involved in the interview, you can still change your mind if you wish to withdraw from the project. Because of project deadlines, withdrawal needs to take place within two weeks of receipt of your transcript.

The results from this study will be provided to you and your organisation without any participant and organisation names used. Besides, the findings and the results of this study may be presented in future publications and/or conference presentations.

If you find this project to be of interest, you can take part or participate. If you require more information about the research project, please do not hesitate to contact me and my supervisors at Unitec, New Zealand via the contact information below.

Primary supervisor: Pieter S. Nel, Tel: +64 9 815 4321 ext 7026 or
Email: pnel@unitec.ac.nz

Researcher: Athikone Thipphonephosy, Tel (Lao Mob): + 856 20 56126997
Tel (NZ Mob): + 64 21 0833 6154
Email: d.tpps@hotmail.com

UREC REGISTRATION NUMBER: 2014-1092

This study has been approved by the UNITEC Research Ethics Committee from 07 November 2014 to 07 November 2015. No 2014-1092. If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREC Secretary (ph: 09 815-4321 ext 8551. Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
APPENDIX 3: Participant consent form

Participant consent form

<table>
<thead>
<tr>
<th>Research Project Title:</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Managers’ perceptions of the extent of diversity management in multinational organisations in Laos”</td>
</tr>
</tbody>
</table>

I have had the research project explained to me and I have read and understood the information sheet given to me.

I understand that participation in this project is voluntary. Furthermore, I have the right to withdraw from the project within two weeks of receipt of the interview transcript.

I also understand that everything I say is confidential and none of the information I give will identify me or my organisation. The only persons who will know what I have said will be the researcher and her supervisors. I also understand that all the information that I give will be kept and stored securely on a computer at Unitec Institute of Technology for a period of 05 years.

I understand that my discussion with the researcher will be taped and transcribed.

I understand that I will be able to see and will have an opportunity to amend the transcript, and to see the finished research document.

I have had time to consider everything and I give my consent to be a part of this project.
Participant Name: ………………………………………………………………

Participant Signature: ……………………………….. Date: ……………………

Participant contact details:……………………………………………………

Researcher Name: …..Athikone Thipphonephosy…………………………

Researcher Signature: ……………………………….. Date: ……………………

UREC REGISTRATION NUMBER: 2014-1092

This study has been approved by the UNITEC Research Ethics Committee from 07 November 2014 to 07 November 2015. No 2014-1092. If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREC Secretary (ph: 09 815-4321 ext 6162). Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
Organisational Consent

I, (name), (position in organisation) of (name of organisation), give consent for Ms. Athikone Thipphonephosy to undertake research in this organisation as discussed with the researcher.

The consent is subject to approval of research ethics application no 2014-1092 by the Unitec Research Ethics Committee and a copy of the approval letter being forwarded to the organisation as soon as possible.

Signature:

Date:
APPENDIX 5: Ethics Approval Letter

Athikone Thipphonephosy
1/89 Carrington Rd
Mt Albert
Auckland 1025

20.11.14

Dear Athikone,

Your file number for this application: 2014-1092
Title: Managers’ perception of the extent of diversity management in multinational organisations in Laos.

Your application for ethics approval has been reviewed by the Unitec Research Ethics Committee (UREC) and has been approved for the following period:

Start date: 7.11.14
Finish date: 7.11.15

Please note that:

1. The above dates must be referred to on the information AND consent forms given to all participants.

2. You must inform UREC, in advance, of any ethically-relevant deviation in the project. This may require additional approval.

You may now commence your research according to the protocols approved by UREC.

We wish you every success with your project.

Yours sincerely,

[Signature]

Sara Donaghey
Acting Deputy Chair, UREC

cc: Pieter Nel
Cynthia Almeida